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APPENDIX
TO THE
FORTY-SECOND VOLUME
OF THE
JOURNALS OF THE HOUSE OF COMMONS
DOMINION OF CANADA
SESSION 1906-7
PART II



OTTAWA
PRINTED BY S. E. DAWSON, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY
1908

LIST OF APPENDICES, 1906-7.

PART I.

No. 1.—REPORT of the Select Standing Committee on Public Accounts as follows:
Payments to the Collingwood Shipbuilding Co.; Western Division of the National Transcontinental Railway; J. R. Henderson, of Halifax, *re* cotton mill siding at Halifax; R. W. Hewson and James Friel, of Moncton, for land taken at Moncton for railway purposes; C. S. Eastwood for dredging at Matchedash Bay; C. B. McDougall and N. C. Jones, of Moncton; B. F. Pearson, of Halifax, for "Princess" ties; in connection with Ross rifles; R. T. MacIlreith, of Halifax, in connection with legal expenses; Munroe Commission Co., and the Barber & Ellis Co., in connection with the National Transcontinental Railway; Charles Strubbe, of Montreal, in connection with International Portland Cement; and for 250 sub-target guns to the Ontario Sub-Target Gun Company.

Printed in Part I.

No. 2.—REPORT of the Select Standing Committee on Privileges and Elections in reference to the inquiry into the resignation of Hon. C. S. Hyman.

Printed in Part I.

No. 3.—REPORT of the Special Committee to whom was referred Bill No. 2, an Act respecting Industrial and Co-operative Societies.

Printed in Part I.

PART II.

No. 4.—REPORT of the Select Standing Committee on Agriculture and Colonization.

Printed in Part II.

No. 5.—REPORT of the Special Committee to whom was referred Bill No. 5, an Act respecting Certificates to Masters and Mates of Ships.

Not printed.

No. 6.—REPORT of the Special Committee in reference to prices charged for Lumber in the Provinces of Manitoba, Alberta and Saskatchewan.

Printed in Part II.

REPORT
OF THE
SELECT STANDING COMMITTEE
ON
AGRICULTURE AND COLONIZATION
THIRD SESSION, TENTH PARLIAMENT
1906-7

PRINTED BY ORDER OF PARLIAMENT



OTTAWA

PRINTED BY S. E. DAWSON, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1907

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REPORT.

The Select Standing Committee on Agriculture and Colonization present their Seventh and Final Report, as follows:—

The Committee have had under investigation during the current Session of Parliament, the conditions of Agriculture in the Dominion, in relation to the several departments of agriculture, viz.: the Growing of Cereals, Root Crops, Fruits, and the Division of Dairying, upon each of which much valuable information to producers and dealers in the products of these respective divisions, has been taken in evidence, all of which form an essential part of this Report.

The evidence upon the growing of wheat demonstrates a steadily increasing area, year by year, brought under cultivation with highly satisfactory results to the cultivators, both as to acreage yield and the quality of the wheat produced. Each succeeding year reveals new fields in the great West, hitherto thought not to be adapted to wheat production. One remarkable instance of this occurs in the case of saline soils that for many years were deemed useless for the raising of wheat, and are now, by the application of tillage, found to produce splendid wheat both as to quality and quantity. This is given on the evidence of Mr. John Macoun, Naturalist, who, in 1906, made a minute exploration for report upon the soil, climatic conditions, and growing crops along the line of the Grand Trunk Pacific Railway, from Edmonton to Portage la Prairie, in which he states that he saw as heavy standing wheat crops, as he had ever before seen upon any soil, growing upon saline soils, once supposed to be unsuited for, if not altogether incapable of producing wheat.

Another extension of the wheat-growing area of the West is found in the higher northern latitudes now demonstrated to be capable of growing wheat more profitably, than was hitherto supposed possible. Mr. Thompson, M.P., produced before the Committee a sample of excellent hard wheat grown at 63 degrees north latitude in the Valley of the Yukon—this sample being from a third crop in succession, grown upon the same farm. Mr. Macoun, above-named, states on evidence that wheat can be grown in 61 degrees north latitude, and adds the further interesting fact, 'That whenever any production comes near its northern limit it produces more and its progeny seems to have greater strength.'

Mr. Elihu Stewart also states on evidence that in 1906 he saw a promising crop of wheat grown 550 miles north of Edmonton.

From the increasing discoveries during successive years, it is concluded that the actual wheat-growing area of Western Canada, is as yet, of undetermined measurement—any statements to the contrary being merely theoretical.

The Director of the Dominion Experimental Farms, furnished on evidence, the following comparative statements of the acreage yield of wheat as between the Canadian Provinces mentioned, and that of other leading wheat-producing countries of the world. In Great Britain the average wheat crop is 30·95 bushels per acre. In Ontario the average of winter wheat is 22·50, and of spring wheat 18·92, showing that we are not in this respect a great way behind the Mother Country; France averages 19·57 bushels, which is under the average yield for Ontario. Manitoba gives about 18·45, the Northwest of Canada 19·13, while Russia, in Europe, gives an average of 9·05 bushels per acre, and the United States 13·43. The Argentine Republic gives an average of 14·76 bushels per acre. Australasia as follows: New South Wales has an average of 9·9 bushels per acre; Victoria, 7·18 bushels; South Australia, 6·62 bushels; West Australia, 11·51; and Queensland, 15·77.

It is also in evidence that the settlers upon land are well pleased with the returns the soil yields for their labour, and happy in the enjoyment of the moral freedom they find in Canada, and ample protection secured to them for the safety of life and property. This is the case as expressed particularly by settlers from the continents of Europe and Asia.

The dairy industry is found to be also in a prosperous condition. The cheese branch has not very largely increased its exports last year, but the prices received in the markets of Great Britain were such that for about equal quantities exported in 1905 and 1906, for the latter year's export \$4,000,000 was received in excess of the export of the former year. It is satisfactory to note that Canadian cheese received in the British market, is regarded as second to that of no other country. This largely is due to the introduction of cool curing rooms as an adjunct to cheese factories, and the ample provision made for export in cold and cool storage. This provision for export has in the past year been extended to several products not so provided for in the past, and will doubtless be attended by corresponding results.

Owing to the provision made under agreement with the Government of Canada for the provision of ample cold storage for perishable products on railway and steamship lines, aided by cool curing rooms at factories, the dairy industry may now be regarded as settled upon a safe and permanent basis, conditional, however, upon manufacturers keeping up the standard of quality.

The Committee have had evidence before them in reference to the cultivation and export of fruits, particularly of apples, and it is found that the provision of cold storage in export, has materially enhanced the favour with which Canadian fruits are received in the United Kingdom and on the continent of Europe. This in turn has stimulated fruit-growers to greater care in selection and packing, in consequence of the better price thus received for their products. The protection to honest packers extended by the Fruit Marks Act, has led to more care as to quality on the part of sellers. By the evidence of the Chief of the Fruit Division of the Department of Agriculture, there is left over a large surplus yearly, of small fruit of the apple orchards that is not marketable owing to size, but which might be very profitably manufactured into excellent jam, jellies, &c.

Co-operation would probably convert this present loss into a profitable industry.

A careful survey of the entire field demonstrates that agriculture, the corner stone of national wealth and power, is in a more prosperous condition at present, in the Dominion of Canada, than in any other country of the world, whilst the yet unmeasured territory of rich virgin lands, awaits settlement, ready to respond bounteously to the industry and intelligence of many millions of willing hands. In a word, Canada is the world's great bread field of the day. Besides, no other country of the globe offers a larger measure of constitutional freedom and legal protection to her people, irrespective of social class conditions, or rank.

Another feature that augurs an enduring prosperity to agriculture in Canada, is the rapidity with which agricultural scientific training is being adopted as a branch of her national system of education, thereby placing the pursuit of agriculture on a par with the so-called learned professions.

P. H. MCKENZIE,
Chairman.

HOUSE OF COMMONS,
April 25, 1907.

EXPLORATION,---EDMONTON TO PORTAGE LA PRAIRIE.

HOUSE OF COMMONS,
COMMITTEE ROOM No. 34,
TUESDAY, December 18, 1906.

The Select Standing Committee on Agriculture and Colonization met here this day at 11 o'clock a.m., Mr. McKenzie, chairman, presiding.

The CHAIRMAN.—Gentlemen, as you will see by the notice calling the meeting we have with us to-day Prof. John Macoun, Naturalist and Botanist, who has been engaged in the western part of our great Dominion during the past season and who will address us upon what he has seen there during that time. I have much pleasure in calling upon Prof. Macoun to address you.

Prof. JOHN MACOUN.—Mr. Chairman and Gentlemen,—Before entering upon a description of the country, permit me to make a remark or two in connection with the past. I want to say to you at the start that I am not a tyro in the examination of the country and therefore my statements to you to-day you can take, not perhaps as Gospel truth, but as scientific truth.

EXPLORATIONS PREVIOUS TO 1906.

When many of you, gentlemen, were much younger than you are now—34 years ago in fact—Mr. Sandford Fleming invited me to accompany him across the prairies when he made his great trip in 1872. On that occasion I acted as a botanist to his party. Next year my report of that trip was published and it was the first revelation of the possibilities of the Northwest. In 1875, I was invited by Dr. Selwyn to go with him to make an examination of British Columbia and the Peace River country, especially the latter, and Mr. Mackenzie, who was at that time Premier, appointed me to that expedition. I returned through the prairie country and afterwards made another report on the immense west. Again in 1877 Mr. Mackenzie, when he was pushing, as much as he could, the construction of a railway through to the west, asked me to write a report on the interior plains. I did so and it was published in the year 1877 in the Railway Report. Afterwards, when the new government came in under Sir John Macdonald, ten parties were fitted out in the spring of 1879 to go and examine the whole of the Northwest. I was invited to take charge of one party and made only slight objection. They sent me to the south and I came through this country (pointing to the map). I started from Winnipeg and went right through to the head of Long lake, then to the Saskatchewan, passed along here to the Hand hills, next south to the Blackfoot crossing, then up into the mountains by the Bow River pass, and then north to Edmonton, and eastward to Battleford and Winnipeg. My report of the journey in that one season did more than anything else to wake the people up. It set them on fire.

METHODS OF TRAVEL.

By an hon. Member:

Q. Would you tell us your mode of travel?

A. I was the first man that took iron-bound carts on to the prairie. The opinion up to that time was that an iron-bound cart used on the prairie would shrink up and

fall to pieces. When I reached Winnipeg a gentleman who was there yet and has charge of the Canadian Pacific Railway was selling carts to anybody who would buy them. I said: 'I will take them; they are the best carts that are going.' I took those carts and travelled with them 1,800 miles. Two of them especially went 2,500 miles that year, and I brought them back to Winnipeg perfectly sound and good. They were from London, Ont., and were the first iron-bound carts that were on the prairie.

By Mr. Jackson (Selkirk):

Q. What year was that?

A. That was in the year 1879.

By Mr. Barr:

Q. Crossing the sloughs would the carts sink?

Q. There were many persons who would get stuck in the sloughs because they had not the sense to do what we did. Whenever we came to a slough we put one wheel in the slough and the other on the hard ground and we got through without any trouble. This was when we travelled on a trail. When there was none we went around or crossed it boldly. We did that last year and we never stuck in a slough but once, although we travelled nearly a thousand miles last year with light wagons without roads.

By Mr. Staples:

Q. Why not have both wheels in the hard ground?

By Mr. Barr:

Q. If there was hard ground.

A. That is it, if there was hard ground. If not, you would get into a worse difficulty.

Q. How did you overcome the big sloughs?

A. In the early days we pulled the carts out by hitching a rope on to the tail of the horse. We took the horse through the slough and hitched its tail to a rope and the rope to the axle of the cart. Then two or three of us would get to work, and we would soon draw it out. We have done that repeatedly.

By Mr. Smith (Wentworth):

Q. That was pretty hard on the tail of the horse? Did you never pull the tail out?

A. No, we did not pull the tail out. I will not spend any time on this, but to show you the difficulties that had to be overcome.

The government instructed me, in 1879, to go up past the head of that lake, Long lake (indicating on the map). Before I started out from Fort Ellice, the Hudson Bay people said: 'You cannot go there; we do not go that way. Go by the foot of the lake.' I said: 'I must go there, because I am ordered to do so.' They brought out a guide, and he said that I could not go by the head of the lake, as there was no trail. I told them: 'I was instructed to do certain things, and I was going to perform them.' I asked: 'Am I going to submit my brains to that man? No, sir.' I had two surveyors, and we did our own guiding. Then I was instructed by the government to go here, elbow of South Saskatchewan (indicating on map). Now, to show you the fallacies that were prevalent long ago. This is the Qu'Appelle (pointing to the map). It was believed at that time that you could dig a canal from the Saskatchewan into the head of the Qu'Appelle. We measured it and found the distance to be 11½ miles. We also took the levels, and we found the Saskatchewan was 85 feet lower than the Qu'Appelle, and that settled the canal question. Then we went west and finally went up into the mountains, and it was late in the winter when we returned to Winnipeg. Upon returning to Ottawa, I saw Colonel Dennis. He was at that time Surveyor General and had a whole series of maps ready to be issued, showing 30,000 square

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miles of our grand Northwest to be part of the American desert—that is this section of country down here (indicating on the map). I said: 'There is no desert, it (Southern Saskatchewan and Alberta) is all fertile.' Colonel Dennis suppressed the map, and there are houses in this city that are lined with those maps on the inside as a substitute for felt. That was how the issuance of a map, showing a great part of the Canadian West to be desert land, was stopped in 1879. Then, in 1880, they said: 'Professor Macoun has got to go to the plains again.' This time, Col. Dennis took a map and placed a blue line on it and said. 'Macoun, you have got to follow that line.' The blue line started south of Brandon and passed through all the bad spots, as then understood. That year I travelled 1,800 miles, following the blue line, and discovered no desert.

THE EXPLORATION AND FINDINGS OF 1906.

Gentlemen, since that time we have learned more than was known then. With all the information that has since been obtained, I undertook my journey last year joyfully. Why? Because I said: 'Now I shall know whether my ideas of twenty-five years ago are right, and if they are not right, I will try and put them right.' When we went the first time, I had a nephew with me, and I directed my nephew every half hour on the journey to dig into the ground to the sub-soil, and we did that for over a thousand miles that season. There was much discussion as to the character of the soil, and some said it was this, that and the other thing. It was maintained by some that this country about Long lake (indicating on the map) was all gravel and of no use. The reason was, the men who examined the country had not the sense to know that the strong winds that blow over the prairie had blown away the fine particles of dust. Of course, where badgers had made holes in the ground, earth and gravel were thrown up, the lighter material being blown away and the gravel remained. Because of this, these wiseacres said: 'The whole country is gravel, and it is not fit for anything.'

Now we know that the Long Lake country is first-class. Well, as I say, on a former occasion we dug into the soil. This year we had nothing of that to do, and why? Because the people were on it and had cropped the land. I am giving you an account of the country now and am not guessing at it. I can tell you all I thought about the country before and all that I formerly said is nothing in comparison to the reality. There is a country that is nearly a thousand miles wide, and there is little of it that will not grow first-rate crops. It may be sandy, but it will produce crops. For nearly a thousand miles we have a country that is almost fit now for the plough going west and going north. We have a country 500 miles deep and we do not know it—we have not touched it yet. I left this point (indicating on the map), Portage la Prairie, on June 11, 1906, and we passed through Macgregor and Sydney and up on to the Big Plain north of Carberry.

The Grand Trunk Pacific passes through the centre of the plain about ten miles north of Carberry, and goes through a better country east of the Assiniboine than the Canadian Pacific Railway traverses, by a great deal. The former will pass through the centre of a first-class country, whereas the other line goes along the face of the sand-hills. Away back of the sand-hills the country ten miles north of Carberry is as fine a country as ever you looked at. Well, the line passes through this country nearly up to Birtle. It then descends into the valley of the Assiniboine. This point is Fort Ellice, and after we pass here the line begins to go up to the north. You will notice the points that I have marked on the map. This point is the Touchwood Hills post. All this section of country is pretty well settled. It consists of forest, prairie and sloughs and ponds. The country through which we passed this year from Hamiota up towards Yorkton and from Yorkton in the direction of (indicating on map) Beaver Hills and Touchwood Hills, is an exceedingly rich country, and the farms everywhere were first-class. The country was not like the prairie country where you could break

up 100 or 200 acres, or a square mile, without any interruption whatever. There was a lot of sloughs, growths of poplar, and clumps of willow, but everywhere the soil was good. Then when we come to the Touchwood Hills, do you notice the bend there, on the road. Now, it is about 25 miles from Touchwood to that point, but there was, as you can see, a difference. The prairie commenced about there, a little over 20 miles west of the Touchwood post. In the Touchwood and in the Beaver Hills, the country is not very much elevated, and the hills are not high, but as you go west the country begins to flatten out as it were, that is, the hills are less high and less high, and soon they are quite low; the fires from the west long ago seem to have cleaned off the trees, and before you reach the prairie you come to a district where the little undulations are beginning to pass away, and then you strike the prairie without a bush or tree; so that 25 miles west of Touchwood you strike the prairie.

You notice the bend there. That bend means that the engineers had to make a diversion in passing over. From this point to Saskatoon the road is straight because the country is level. You can stand on the line of the road and look as far as you can see toward the west, and turn around and look as far as you can see to the east, and there is not a variation of a foot; that road runs perfectly straight from here to Saskatoon.

By Mr. Martin (Queen's, P.E.I.):

Q. What distance is that?

A. It is about 125 miles.

Q. All prairie?

A. It is all prairie, until you come near Saskatoon. About here (indicating on map) 25 miles east, it begins to show clumps of wood and some pretty large trees, but it is most excellent land.

Q. Is the soil sandy?

A. No, not sandy, as we know it, but there is sand in the soil. I have the notes here to just speak about that. This point here (indicating on the map) is Manitou lake, Little Manitou lake, and this point here is a lake called Boulder lake. There are about four miles of boulders, so that it is very rough there. Little Manitou lake has a line of rocks about it. It is in a basin sunk in the prairie and has very salt water. These two points that I am speaking of, and they do not consist of more than 6 miles altogether, are the only spots in 125 miles that would not grow first class wheat. There is not an acre on the line of the road from here to Saskatoon that it not first-class soil except for these two boulder spots that I am speaking of.

Saline creek, the discharge of Quill lake, had the finest wheat fields on it that you could imagine, and yet it was all alkaline soil. Everybody told me that the land we used to call alkaline land, and that terrified people, when it was broken up and cultivated, produced the finest wheat in the whole country.

By Mr. Ross (Yale-Cariboo):

Q. Who owned that land before it was taken up?

A. I could not tell you that, I know nothing about that. There is a great deal of land through here that is not settled at all, there are only a few scattered people to be found across it, only an occasional settler.

Q. You did not understand my question? Is that some of the land that was alienated for the railway grants?

A. I do not think so, for the reason that I do not think it was considered worth having.

Q. The railways would not have it?

A. They would not have it.

That puts me in mind of a point just here that I will mention. Here is Long lake (indicating on map), at the time of the Queen's death I was at the court here, the Exchequer court, I was going to give evidence that this land was good. That was not many years ago. The railway was going through this land, they would not have

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this land here, they would not have it because it was, they said, all gravel and sand and in fact they were having a trial about it and I was asked to give evidence. I was going to give evidence that it was good, but the Queen died the day that we had the trial, and before the judges were reappointed and the thing was brought up again, some Americans taught them that the land was good, and since then they have been squabbling about it.

CROPS GROWN ON ALKALINE SOILS.

Our ideas change, my ideas about alkaline soil have changed, not in regard to the water, the water question is a difficult question. Now that point there is Saskatoon, and right there (indicating on map) about 25 miles to the east of Saskatoon there is a settlement that is only four years old which we passed through this year where there were hundreds of acres broken, and, as far as we could see, on both sides of the track there were fields of wheat as fine as any wheat we saw in the Carberry plain. As I said, the settlement is only four years old. Passing Saskatoon, and going west about ten miles, or less, on the line of the road we passed through the Smith settlement. I inquired if this was an old settlement, and they said, 'yes, we came here when the Temperance Colonization Settlement was established by Mr. Livingstone.' What I want to emphasize is that this is the oldest settlement that I know of in the West. It is nearly equally old with that at Carberry. In the Carberry settlement, when passing through it you would think they were all gentlemen. They have beautiful houses, with fine windbreaks and everything delightful around the place. When we got through to the Smith settlement, behold it was exactly the same. I said, 'Mr. Smith, when did you come here?' and he replied, 'Twenty-one years ago.' I said to myself, here is what the country is going to be 25 years after it is settled. That is what I saw. If the country had been newly settled I would have had doubts, and as this gentleman said to me just now, I would have said, 'there is sand here.' I say 'yes, there is sand.' There is a little sand in the land all the way from Little Manitou lake to far beyond Saskatoon and away to the west until you get pretty well to the Bare Hills and beyond. Here, there is a modicum of sand in the soil. I have written here what, with the permission of the chairman, I will put into my notes eventually what the settlers said of that tract. A gentleman who had been here some time and to whom I spoke, said to me, 'We consider that the sand instead of doing harm does good, and we have never missed a crop.' That gentleman had been there seven years. Mark, gentleman, he said that he had been there seven years and during that period he had never had a crop fail. His remark was, 'We have no drought, it never does us any harm, and we have no frost because our land is warm.'

By Mr. Staples:

Q. What is the subsoil?

A. It is clay.

Q. About how far down?

A. I do not mean that it is sandy, in the sense we would call it sandy; there is a modicum of sand. I will put it another way, it thickens as it goes down, in other words, it solidifies as it goes down. He said they never had any frost and the crops never fail.

Now, here was another thing I started out with, but I gave it up, when I saw how it turned out. At Portage la Prairie, I went to a farmer and said to him: 'Will you kindly give me the time that you sowed your wheat, and the time you cut it? I will ask you for it during the winter.' I did that all along, wherever I got a chance; nearly every day I would ask a farmer that question. But when I was here, east of Saskatoon (indicating on the map), I found the grain was getting hard; that was in the middle of July, and when I arrived at about 18 miles west of Saskatoon, close to that lake, on July 28, I found one field of wheat was fit to cut. Then I gave it up, because, as I went further west, I found that the grain ripened; I noticed lots of

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fields of wheat from August 4 to 12, and on August 18 I found the grain in stacks, so that I gave up asking, because my intention to compare the ripening of the crops in the West with the ripening in the East was of no use. I had seen enough to satisfy me that the ripening in the West was, for this year anyway, not different from that in the East at all.

By Mr. Jackson (Selkirk):

Q. Were you finding out from the people, at the same time, how many crops they had taken off that land, whether it was two or ten or twenty, because, if you did not, the information would not be of such great value?

A. I did not, for this reason, that the oldest settler I spoke to in the interior of the country was that man who had been there for seven years, the man in the Smith settlement, where I talked the matter over, said their crops were exceptionally good.

Q. You did not find out either whether this land was summer fallowed or not?

A. Well, sometimes it is. That is another peculiarity: the summer-fallowed land had the poorest crop this year, because the spring was very cold. The wheat grew at first like a hothouse plant, and then it got chilled by cold, sleety rain, and it did not do nearly so well as it did on the stubble.

Q. I consider your opinion, to have been of any use, should have added to it how many years that particular field had been cropped.

A. Yes, but I can go further. Let me test my statement now. It is a broad one, but I challenge contradiction to it. The people do not realize yet that we have scarcely any running water in the Northwest, and where there is no running water, there is no leaching of the land. The land of our Northwest is practically inexhaustible on that account. Please let that pass into your mind as absolutely true.

Q. How about the Saskatchewan river and the Assiniboine, and the country which they drain?

A. There are no creeks that run into them.

Q. Are there no creeks running into them?

A. No, that is absolutely the fact.

Q. Are you aware there is one running into the Saskatchewan river near Battleford?

A. Yes. I can tell you of Eagle creek and Eyebrow creek and others, but the water that runs into them you can carry in a few pails.

Q. Are you not aware there is a creek that runs into Quill lake?

A. Certainly.

Q. There are streams running into them?

A. Yes. Excuse me, but there is nothing like making things clear. There is Big Quill lake (pointing to the map) and the smaller lake, but the water is quite salt; it is of a saline character.

Now, in this country from this point (indicating on the map) to Saskatoon, an area of nearly a hundred miles, there is no creek at all; but, gentlemen, there is a good rainfall. You may ask where does the water go? I asked that question of Senator Perley. We talk these things over pretty often, and I asked him, 'Where does the water go?' It passes for a certain distance down into the soil, and eventually it evaporates. The point I wanted to make is that as long as there is no leaching there is no loss except what the crop takes from the soil.

By Mr. McCraney:

Q. What would you say regarding the effect of burning straw? I have always believed that eventually it would tend to the depletion of the land?

A. I do not think it will. Senator Perley asked me on one occasion in my office how I considered the men in the West could keep their land up to a proper tilth—in other words, so maintain it that it would perpetually produce crops. He said, 'I want to leave that land as God has given it to me.' I told him, 'You are going to leave it that way if you are careful.' There is no leaching, and a slight rotation of the crops

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will keep the land in good condition. As long as there is no leaching your land is practically like the land in Egypt. There is an idea prevalent that the water of Egypt going on the land contains a whole lot of nutritious elements, and therefore it is beneficial to have it passing over the land. It is not so. It is like any other water going over the land. The land that is only slightly irrigated will never become poor. The land has never failed in California, and there is no talk about fertilizers. I told Mr. Pearce, 'If you begin to irrigate in the fields at Bow, as foolish persons have done in British Columbia—'

By Mr. Ross (Yale-Cariboo):

Q. I beg your pardon.

A. I beg to correct that statement: As I have seen them do in British Columbia.

SALT STREAMS, OUTLETS OF SOME LAKES.

By Mr. McIntyre (Strathcona):

Q. Is it not a common thing to find the outlet of the lake salty?

A. Quill lake and Manitou lake are the only two lakes that I know of that have salt water streams flowing from them.

By Mr. Derbyshire:

Q. What do you drink up there with that salty water?

A. Real lime juice.

By Mr. Jackson (Selkirk):

Q. I understood you to say that Quill lake and another lake you mentioned were the only salt lakes?

A. There are several big lakes of that kind.

Q. All salty?

A. All salty.

By Mr. McCraney:

Q. About range 24 there is a salt lake?

A. You mean this one? (indicating on the map). Yes, that is a salt lake, too.

By Mr. Lake:

Q. It is alkaline, is it not?

A. We call them salt lakes, but the rock that they are based upon contains a large quantity of magnesia—really Epsom salts. Most of them are just salt and contain a very great solution of Epsom salts, and you know the results. I may say this, and gentlemen who have travelled in the West know it: In the spring, when the rains are taking place, the waters are so diluted that you could drink them without injury; but in August and September, when the rains have ceased and you try the waters in the same lakes, you find that they are not so good. Now, a gentleman asked me how we drink that water. We drink it with great quantities of lime juice, which renders it quite palatable.

By Mr. Derbyshire:

Q. Not with a little good Scotch?—A. No. The lime juice put into the water makes it very good. I drank it all last summer with lime juice and a little sugar. We use that in any kind of water.

PIONEER SETTLEMENT,—THE FIRST HOUSE,—A NOVEL FUEL.

Now, gentlemen, I want to proceed a little further. This is Eagle creek, and this is Battle river. We crossed through what is called the Bare Hills. There is no bush there and no woods. We camped on this spot, and the engineers told us there

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was no wood within 35 miles. There is not a bush in this country at all, only a few willows along a salt lake, that we call White Shore lake on the map. The whole of the waters here are more or less salt. This is a pretty dry country. We passed through quite a large section here of first-class land. The soil is first-class, but it gets drier as you go west. You would think it was pretty hard where there is no water and wood is scarce, and yet the American settlers have no difficulty whatever in establishing themselves in this country. Why? Because they have been accustomed to this kind of thing on the other side. The American comes in, and the first thing he does, he looks around and he says: 'I guess we will see if we cannot get water.' He hunts for a well, and if he gets water, he builds a house. And how does he get his house? He gets into a little hollow and, after satisfying himself as to the situation, he cuts the sod about three inches deep, turns it over and divides it in sections and builds a sod house. These sod houses throughout the West are first class. Men of this kind establish themselves in no time by going right about it. That is the whole question. I said to a gentleman: 'Could you not use the sod here for fuel?' He said: 'Of course, we do.' I thought I was going to enlighten him, but he would not be enlightened on that point, he had been enlightened before. There is no difficulty about settling in a place where there are five or six inches of sod and breaking it up, turning it up to the sun and letting it dry and having first-class fires. Anybody could do it, if they would. The whole question, gentlemen, is between capacity and incapacity. The men coming from the United States are capable people. Some of the Ontario settlers, but not all, are also capable people.

By Mr. Wilson (Lennox and Addington):

Q. Are there many native Americans coming in?

A. A great number. It is a curious fact, though, that many of them were formerly Canadians.

Q. Is there a large foreign element coming in from the United States?

A. I never saw a foreigner at all. They were all English-speaking people, and apparently native Americans, or had been, as some one told me, resident in the United States for twenty-five or thirty years.

Q. Were there any Germans?

A. No, I saw no Germans.

By Mr. Jackson (Selkirk):

Q. What about the Galicians?

A. I have not time to speak about the Galicians this morning. I would say this, however, that the Galicians are a hard-working people, but they cannot talk to you. It is a difficult thing in a new country, where there are no roads, when you run up against a foreigner, and you say to him: 'Is this the way?' and he answers 'Yes.' You follow it, and you discover it is not the way. The Galicians, as workers, are all right and are a decent, civilized people.

COMPARATIVE ELEVATIONS.

Here is the most difficult section in the whole country. This is what is called Big Manitou lake. This creek that you see runs into Manitou lake. And here I may say, speaking of the land, that it slopes to the north, that when we talk about going up we are really going down, and when you are thinking about Prince Albert being away up above Regina you will understand it is 487 feet lower than that place; that when you are thinking about Moosejaw and Saskatoon that Moosejaw is over 1,767 feet above the sea, Saskatoon a little over 1,574 feet above the sea and Prince Albert 1,398 feet. You are going up all the time which is really down. And, gentlemen, that is one of the strong points that I wish to impress upon you to-day, and that is as you go north and the altitude keeps going lower that the boundary of the wheat-growing country that we have got goes farther north all the time. After I am dead and gone

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and many of you also, this northern country will be a glorious country filled with happy people growing enormous quantities of wheat and other products. That is just as true as that the sun is shining to-day; there is not the slightest doubt about it. It is our wrong impression that is causing all our trouble. I am getting out of my wrong impressions, and I want you, gentlemen, if you have any, to get out of yours also. Now take this point here (indicating on the map). After you get a little west of Lake Manitou you are just on the boundary between Alberta and Saskatchewan. At this point there was an engineer's camp, at which we stopped. From this point to Edmonton, there is no more bad land.

When I say bad, I mean there is no more land that is what I would call too dry to raise crops at present. Just there where my pointer is (indicating on the map) is Tramping lake, which was the only point where we found poor crops in the whole summer. The people told me that they were perfectly satisfied, that they had a fair amount of rain, but they said, 'We got in late and did not put in the oats until late in June; it stayed green, however, and would be fit to cut for fodder.' It was the only place in the whole country, as I said before, where the crops were poor, yet the people who were there, chiefly Americans, were quite satisfied, and said that although they came in late the land was good, and their prospects were good and everything was satisfactory.

By Mr. Jackson (Selkirk):

Q. You could not get a crop here if you sowed it in June?

A. No, and you would not attempt it now. We camped at this point, near Thomas lake, and met a Scotchman named Downey.

Q. I guess he was Irish?

A. He said he was Scotch, and he talked like one, too. He said he came out from Scotland a couple of years ago and went over to British Columbia and worked around Vancouver, taking out some of the big stumps there—some of the gentlemen from that side know what they are like—he cleared up a lot of ground quickly and got well paid for it and decided to settle upon the prairie. He came to Edmonton and was told by the agent there to work out in this direction. He reached the land upon which he settled on the 26th of April. We were there on the 19th August, and he had first-class oats, excellent potatoes, first-class barley, and had dug a fine well, he had put up a stable for a span of horses, and had a very good log house. He was a bachelor, he had no wife, and, of course, I recommended him, as I do all bachelors, to marry, because I do not think it is a proper condition, especially in the Northwest, for a man to be without a wife. Mr. Downey said, 'I have done this this year,' and I wrote in my notes that in no other place than the Northwest could the like of that be done in one year. That is absolutely the case. He had an excellent crop of good dry potatoes and a good crop of hay, oats and barley.

By Mr. Staples:

Q. How much per acre was the yield?

A. I never asked after the yield of the crops.

Q. You would not like to recommend any person to go in and settle under those conditions, with the expectation of being able to produce a good crop in the first year?

A. There are settlers, and settlers. When I left Ireland for my own good, and perhaps for my country's good—I do not know about that—but when I left Ireland for my own good, I came out to Ontario and I worked for the magnificent sum of \$7 per month and my board.

By Mr. MacLaren (Perth):

Q. How long ago was that?

A. It is nearly sixty years ago, and we settled on land and paid \$6 per acre for the privilege of cutting trees off it.

THE EXPLOITER A BANE TO THE COUNTRY.

Now, I would not recommend, and never did recommend any person to go west to make a fortune. But the man who wants to make a home, who wants to get a farm and get out of penury and trouble, and away from day labour, I say to him: You are the man to go. We do not want exploiters in our Northwest; that has been the bane of the Northwest, the 'exploiter' who goes in for a great farm and a big crop of wheat, and then gets out. We do not want that kind of man at all; we want *bona fide* settlers, the men who will work, and the Scandinavian and the Doukhobors are just as good workers as you can get anywhere. That is what they do—they 'work'. But I will tell you what I have never seen them do: they never, not one of them, no matter how long they have been in the country, have one-half their land broken up. They have never been accustomed to the expansionist idea; they like to have a few fields well cultivated, and they are satisfied with them. But the exploiter that comes in and breaks up 100 acres or a whole section, a square mile, and if he succeeds, well and good, but if he does not, somebody loses money. I want to say that in all my travelling, I never saw anything to equal the section of country south of Beaver Hill lake.

By Mr. Ross (Yale-Cariboo):

Q. How far is that from Edmonton?

A. It is 45 miles from there to Edmonton, according to the way we went. There is a road, the only road I saw in the country west of Carberry. From the lake there is a road 45 miles long to Edmonton. But here is a picture, a lake 14 miles long and about 8 miles wide, in a basin, without banks, no matter where you are. It slopes back some 5 or 6 miles, and no matter where you are, as you look towards it, there is that lovely lake lying before you and some of the finest land in the world. There are plenty of settlers there, in fact the only village we saw from the time we left Yorkton except Saskatoon, was there, and we call it Tufield. The land slopes down towards the water, and it is all rich and good.

By Mr. Staples:

Q. How deep is the water?

A. I do not know the depth, but it contains an abundance of fish. At any rate that is where we camped. If I had seen that lake ten years ago, before the settlers came in—it has only been settled within ten years—I would have recommended some of my friends to go there, because it is the most beautiful place I know of in the whole country. It is a most lovely region, and everybody apparently is doing well, and there is a good region all around it. I met a man there named Phillips who bought the land at \$5 per acre two years ago from a man who had bought the year before that from the Canadian Pacific Railway for \$3.50 per acre. He told me that now it was worth \$25, and I do not think he would take that if it was offered him.

By Mr. Smith (Wentworth):

Q. What about that big country between the Grand Trunk Pacific and the Canadian Pacific Railway; there is a great block in there without any railway?

A. Yes, in here (indicating on map). You see this is the Saskatchewan river, this is the Red Deer river running up there, and this is the South Saskatchewan coming in here (indicating on map). I passed from there, that is the Elbow of the Saskatchewan, 150 odd miles over to here (indicating on map)—that is the Hand Hills there. I passed from here to Battleford, and there is no wood through there. Do you notice all these little ponds that are there? Well, some of those are fresh water and some of them are not.

Q. What is the land like?

A. The land is good, the soil is good. In some places it is perfectly level and at other times it is rolling hills. There is occasionally a belt of sandy hills which may be a mile or more across, or there may only be a ridge or two.

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ADDITIONAL RAILWAYS A REQUISITE.

But what is wanted in that country is railways, and what I was sorry to see when I was there, it is not generally known I believe, that from Saskatoon to here, Round Valley (indicating on map) the Canadian Pacific Railway is building a line running exactly parallel with the Grand Trunk Pacific.

By Mr Jackson (Selkirk):

Q. How far apart?

A. Sometimes 25 feet, at other times two or three miles, but it made me sorry to see it.

By Mr. Staples:

Q. Did it make you sorry to see the Grand Trunk Pacific building close to the Canadian Pacific Railway down there at Portage la Prairie?

A. If you will give me a fair show now I am going to come back at you. Now, this line runs out of Portage la Prairie; how would they get out west if they did not go there. The Canadian Pacific Railway is down here (indicating on map).

Q. How far apart are they there?

A. They are not far apart; but how could two lines be far apart there when they both start from the same place?

Q. They could have gone north of Portage la Prairie?

A. Now, of course, I do not know about that because I am not within the proper ring to do so. I am not on the ground floor.

By Mr. McIntyre (Strathcona):

Q. There was a statement made a few moments ago that the belt between the G.T.P. and the C.P.R. and the C. and E. was without railway communication. The point is that the railway starts from La Combe there, and runs 50 miles, and there is another one starting from Moosejaw and there is supposed to be an arc of a circle from there, from La Combe to Moosejaw, which in a year or two will be completed. There is also a line you speak of running to Wetaskiwin that runs parallel with the other line?

A. That is what I want to emphasize, that we want more railroads in that country. I am very glad you have given that explanation, because that is just exactly what that other gentleman had reference to. That is what we want, railroads, in this country. As soon as we get them, and what the people want, water and fuel, then the country will be all right. I was going to suggest that an attempt be made at the crossing of Battle river, by boring to see if there is not coal there. I am satisfied that there is coal there, and if it extends as far as that point, then there is plenty of fuel, and the people can go on these southern prairies and do well.

Q. I may say that I have a letter now from a man living at the crossing of the Battle river, the Canadian Pacific Railway take it, coming out from Wetaskiwin, the crossing of the Battle there—I have a letter from a man living there, asking permission to take the coal off his farm and supply the settlers in the neighbourhood, so there is no doubt about there being coal there.

A. I went up the Grattan creek, along which the Grand Trunk Pacific passes, and from the indications I saw, it struck me there was coal, and that was the reason I was going to suggest that borings be made. I did not know about the other. I believe it is the duty of the government to have borings made whenever indications are shown such as I have referred to.

There are one or two other points I was going to make, and that is, that there are certain points at which it is absolutely necessary to get artesian water, and there should be attempts made by sinking artesian wells in this country to find out whether the water is good and how much they can get, because the railroads cannot run through any country without water for their engines.

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By Mr. Ross (Yale-Cariboo):

Q. Do you think irrigation is going to be a success in that country?

A. Not up there. They cannot get the water out of the Red Deer river, because it runs in a valley 500 feet deep. You know yourself, if you have been there, that it is hard to get in, but it is much harder to get out, if you have a cart.

WHEAT RAISING AS AFFECTED BY ALTITUDES.

By Mr. McCraney:

Q. Did I understand you to say, Professor, that the fact that the slope was north was the reason why the wheat belt would extend northwest?

A. No doubt about that.

Q. Will you explain about that?

A. A gentleman asked the reason why I say that as the land goes north, the wheat belt extends. Altitude has far more more to do with the growth of wheat in this country than most people are aware of. The Indian Head farm is pretty high up. It is 1,934 feet above the sea. Now, as you pass north from Indian Head and strike Saskatchewan or Saskatoon, you get into an altitude of 1,574 feet. You see at once that an increase in latitude is compensated for by the decrease in altitude. When you go to Prince Albert, you find it is only 1,398 feet above the sea. You are going up, you see, all the time (pointing towards map), but it is down. The changes that take place after settlement will make the climate of Prince Albert better than that of the countries farther south, which is up. Here is another point which is very important. The Canadian Northern is going to push on towards Fort Churchill, and it is not such a wild-goose scheme as most people think. Just listen, please. Cedar lake, at the point where they intend to cross the Saskatchewan, is only 828 feet above the sea.

By Mr. Derbushire:

Q. Could you show it, please, on the map?

A. (Indicating on the map). Here is Cedar lake and as I say it is only 828 feet above the sea. Prince Albert here is only 1,398.

By Mr. Ross (Yale-Cariboo):

Q. How far could you go before the compensating altitude of which you speak, would be wiped out?

A. It is not going to be wiped out. This point is within three miles of Hudson bay.

Q. Do you mean to say that wheat can be grown there?

A. Yes, sir. Over 40 years ago I went up to Lake Superior and coasted it in a sail boat and decided I was in the northern country. I went out of the boat and walked about 300 yards from the shore and I discovered that the flora changed in less than a quarter of a mile from the lake.

Q. You made the statement that you can grow wheat within three miles of Hudson bay?

A. Of course I do not want to be bound down. I would like to explain to you what I mean.

Q. I am not finding fault with you; it is a matter of opinion.

A. There is no reason why we should not. As you go down the Mackenzie you get into a latitude of $62\frac{1}{2}^{\circ}$ and you are 200 feet above the sea. Yet they have grown and are growing first-class wheat there.*By Mr. Lewis:*

Q. How far north is that of Edmonton?

A. Between 400 and 500 miles north of Edmonton. They can grow wheat there without any difficulty.

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Q. That is pretty nearly north is it not?

A. Yes.

There is another point mentioned to me by a gentleman which is something extraordinary. At Fort Simpson, on the Mackenzie, potatoes form their balls as they did long ago and at the government experimental farm they have some of those balls growing—or at least they had potatoes growing from those balls and they are trying to raise new varieties. This year the government sent one or two of our men out to the northern country and one of them went here. This is Cedar lake. He went as far as Split lake and then he turned southwesterly. Now Split lake is 440 feet above the sea and he went southwesterly until he came into a country that he tells me is 100 miles in breadth and 200 long and consists of first-class soil.

By an Hon. Member:

Q. Is it level?

A. Level and well suited for agriculture. It was a revelation to me.

By Mr. Jackson (Selkirk):

Q. Is that on the road to Prince Albert?

A. No, on the Canadian Northern route to Fort Churchill.

Q. That would be just north of Lake Winnipeg then?

A. More to the east.

Q. To the east?

A. To the west, I mean. All this land in here is first-class land. I know it to be first-class.

By Mr. Martin (Queen's, P.E.I.):

Q. Have you any opinion about Great Slave lake?

A. Yes. When you get in from Great Slave lake, away from the water, the land is all right. This point is Green lake, and that is where I got potatoes. On the 30th September the tops were green. It is 300 miles north of here.

By Mr. Jackson (Selkirk):

Q. North of Battleford?

A. North of Battleford.

Q. They raise good potatoes?

A. First-class potatoes and what is more, they have a mill for grinding wheat there—a tread-mill for making flour. I found that out 31 years ago.

Q. Who is settled there?

A. It is the Roman Catholic Mission.

By Mr. Ross (Yale-Cariboo):

Q. That was not during a recent trip?

A. Oh, no. Just to show you the fallacious ideas that were formerly held, I may say that I went to the Minister of the Interior a long time ago, and he maintained that the Northern Saskatchewan country was no good. I said to him, 'Do you think that the heat stops there?'

By Mr. Bergeron:

Q. Do you mean to say they can grow potatoes there?

A. Why of course they can. And is there anything to interfere with their growing wheat? None whatever. It is not the summer frosts that is the trouble, but the local frosts caused by the peculiar conditions which we had in Ontario forty or fifty years ago. It is the local conditions that have got to be changed.

By Mr. Lewis:

Q. How far north of Battleford do the barren lands begin?

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A. The barren lands are largely due to the absence of soil. There is nothing but rocks and moss, but in the hollows have been discovered spruce trees over a foot in diameter. This year Mr. Stewart was down at the mouth of the Mackenzie in latitude 68° and found some very fine trees growing there, and within the Arctic circle they are actually raising potatoes.

By Mr. Jackson (Selkirk):

Q. Where will we find your report of 31 years ago?

A. It is in the Geological Survey report.

Q. I mean of your trip to the country 300 miles north of Battleford?

A. It is in the Geological Survey report.

Q. You were never there since?

A. I was never there since. But, gentlemen, let me say this to you as a last word. I am trying to create interest in that North land, and I am speaking on this subject because I am getting to be an old man, and when I am dead and many of you are dead, the people of Canada will begin to discover that that North land is to Canada precisely what Germany was to the Romans. It was hyperborean climate and supposedly unfit for mortal beings to live in, and yet to-day Germany is one of the strongest nations in the world. That is going to be the outcome of Canada. We have more than half a continent, and if we can raise first-class wheat and first-class women, certainly we ought to raise first-class men.

The Committee adjourned.

JOHN MACOUN,
*Naturalist, and Assistant Director
Geological Department.*

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HOUSE OF COMMONS, OTTAWA,

ROOM 34,

WEDNESDAY, January 23, 1907.

The Select Standing Committee on Agriculture and Colonization met here this day at 11 o'clock a.m., Mr. McKenzie, chairman, presiding.

Prof. JOHN MACOUN was present by re-call of the committee, and submitted evidence as follows:—

Mr. Chairman and Gentlemen,—I wish to make a correction of one of my statements made on the last day I was before you; at least I did not make it clear enough. I said that wheat would grow to within three miles of Hudson bay. I meant to say that the conditions of the country are affected by the proximity of the bay to about three miles inland; after that the influence of the bay ceases to affect the general climatic conditions of the country. I cited Lake Superior as an instance, and I may say that we know perfectly well, those of us who live on the River St. Lawrence and on the borders of the Great Lakes, that the influence of the lake extends about three miles inland, that is, it affects the general conditions of the country only that distance.

By Mr. Wilson (Lennox and Addington):

Q. We will take the case of Hudson bay. After you have reached three miles inland what is the effect upon the country? Will they be able to grow wheat as well?

A. I am very glad you asked that. We know that wheat will grow, that it can be successfully grown as far north as latitude 56° in the direction of the bay. We know that now. That is seven degrees north of the international boundary.

Q. How near is that to the bay?

A. That is just exactly what I would like to know. I was looking to see if I had the note, but I will put the answer to that question in the evidence, when I get the report.

THE COUNTRY BOUNDED EAST BY HUDSON BAY

York Factory is in latitude 57° , and Fort Churchill in latitude $58^{\circ} 40'$. But I state this distinctly, that we know that wheat will grow up to latitude 56° , and that it has been grown successfully. Vegetables, too, of course, are known to grow far away north, and in fact, as far as York Factory and Fort Churchill, more or less. What I wanted to say now in this same connection is, that here (pointing to map) is Norway House at the head of Lake Winnipeg and Cedar lake, and down about here is Split lake. The head of Lake Winnipeg is just 710 feet above the sea, and at this point here, Norway House, it is just at the same level. That is, the north end of the lake is the same level above the sea as the south end of the lake, but when you come to Split lake, it is only 440 feet above the sea in latitude 54° . Mr. MacInnis, a member of the Geological Survey staff, was at Split lake this year, and he reports that there is a tract of country in here (indicating on map) about 200 miles in one direction and 100 miles in the other direction, that is well suited for agriculture. It is excellent soil, and, from his standpoint, he says he has no doubt whatever but it will be a first-class farming country in the future.

By Senator Perley:

Q. Is it timbered?

A. It is timbered. The poplar is very fine, and so is the spruce, in fact, the spruce runs up to 100 feet. It is most magnificent. Why I mention that now is this: We all know that Manitoba is low and level and has alluvial

soil, but the remarkable part of it is, that this was produced under precisely the same conditions. We know that this land was produced in the bottom of a great lake caused by an ice barrier. Our geologists know that lakes Winnipeg and Winnipegosis are remnants of this great lake, and that actually this land is covered by a stratum of first-class soil produced from the silt deposited in 'this great lake.

When I wrote that book (pointing to it), 'Manitoba and the Great Northwest,' twenty-six years ago, I wrote in it that the land on the Carrot river was the finest land in the whole Northwest, that its depth was wonderful; but when I wrote about Carrot river, I meant the land near its source, about latitude 52°. The Carrot river flows northeasterly and enters the Saskatchewan above the Pas. The land on the Carrot river is first-class all the way to its discharge into the Saskatchewan. In the lower part of its course the land is low and wet, owing to backing up of its waters by the Saskatchewan. All the lakes shown on the map, and others that are not shown on this map are caused by the backing of the water near the mouth of the Saskatchewan. The country around Cedar lake is almost completely covered with water, but the country is just as rich as the other land, the soil is the same, and before many of you are dead, they will do what I am going to speak of now, and you will see it for yourselves. The day must come when the government will set apart a sum of money for the purpose. This is Cedar lake here, and these are the rapids of the Saskatchewan (indicating on map). Now, Cedar lake is receiving the waters that come down the great Saskatchewan river, and the watercourse is being filled up. Behind Cedar lake is this large tract of country I am speaking about, and when the government decides to cut a channel in order to allow the waters of the Saskatchewan to flow freely out of Cedar lake, that country will be drained, and there will be an immense area of first-class soil added to the public domain that we now have, that is good wheat land.

By Mr. McCraney:

Q. How long a cutting would be required?

A. That is just a question I have been thinking about, and I would say that it is the duty of parliament to send, in the future—I will not say, in the near future—but to send an engineer there and have the lake properly examined. I have been asked why the floods are caused, and I say, by silt gathering at the head of the rapids, but I have not learned whether it is rock boulder, or a mud barrier that gathers there.

By Mr. Lewis:

Q. Have you any idea of the fall from Cedar lake to Lake Winnipeg?

A. It is quite considerable, about 118 feet.

By Mr. McCraney:

Q. About how many acres of land would be rendered available for agriculture, if this were done?

A. There would be really an immense area, but I have no knowledge of the exact number of square miles.

I mentioned that we know wheat will grow up to latitude 56° northwest of Lake Winnipeg. We know also, that during the past year wheat grew and ripened in an extraordinarily short period of time at Fort Simpson on the Mackenzie river in latitude 61°.

Mr. Stewart, Commissioner of Forestry, was down at Fort Simpson this year and saw wheat in the milk on the 15th of July last. It was reported to him by a man who passed up the river later on, that wheat was cut very early in August; if not before the end of July. As I say, this was in latitude 61° at about 850 miles north of the international boundary. You see this book which I have here; I wrote it 26 years ago and called it 'The Great Northwest.' I gathered all the information that I possibly could to back up my statements, and the remarkable thing is, that none of those statements have been proved to be incorrect. Instead of being too optimistic as it was said then that I was, we know that I did not know it all, although like many a young

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man at that time, I suppose I thought I did. What was written then has proved to be more than true to-day, and yet my statement at the time was considered the ravings of a maniac.

Now, gentlemen, I have tried to explain the facts about the West in a general sense, and I shall be pleased to answer any questions from you that I possibly can. If there is any question I cannot answer I will honestly say so and ask you to bear with me and I will get the necessary information later.

By Mr. Wright (Renfrew):

Q. I did not exactly understand the kind of deposit that you mentioned was accumulating in Cedar lake. What name did you use?

A. Detritus, I call it.

Q. Is that a sort of silt?

A. Yes, it is silt. It is stuff that is worked out of the river banks and is carried down by the current. You will understand that the big Saskatchewan, that is the North Saskatchewan, comes out of the mountains in a series of branches. So also with the South Saskatchewan and when they get down on the prairies, where the land is flattened out they go zig-zagging through the country gathering and picking up mud in all directions. These rivers are lovely when they come out of the mountains and the water is nice and clear, but when they reach the plains they accumulate a lot of white mud. This process goes on year after year. All these lakelets—which may be called the delta of the Saskatchewan—are being filled up on the line of the Lower Saskatchewan by the silt brought down by the river.

By Mr. Thompson:

Q. What is the latitude of Cedar lake?

A. The latitude of Cedar lake is $53^{\circ} 15'$. I said the altitude was 960 feet, but it is 828. That is Cedar lake there (pointing to the map) and this Lake Winnipeg. The latter is 710 feet, so there is a fall of 118 feet between the two lakes.

By Mr. Wright (Renfrew):

Q. Why is it called Cedar lake, is there any cedar actually growing there?

A. Yes.

Q. Is it of any size?

A. It was on the shores of that lake that amber, spoken of years ago, was found. Of course that amber is nothing but the gum from the old cedars that stood in the forest in former times. It is not really amber. That is where our cedar ends. I have never been there myself, but I am told there is a remnant of the cedar still there.

AGRICULTURAL PRODUCTIONS IN HIGH LATITUDES.

By Mr. Lewis:

Q. You say, professor, that wheat can be grown along the line drawn from latitude 56° to 61° and south of it. Does that apply to the centre of that land away from the lakes?

A. It applies in this way; wherever the land is fitted for wheat and the climatic conditions are suitable.

Q. The climatic conditions are what?

A. Wherever the climatic conditions are suitable to the growing of wheat. I do not mean to say wheat will grow in every part of that country at all, because there is a great deal of the land that is wet and swampy, but still there is enough of heat passing over the country to do it. Let me give you an example. This river which you see there (pointing to the map) is the Beaver river. It is running north as you will see, and farther down is Isle Lacrosse.

Q. Going north?

A. Yes, going north. Now Isle Lacrosse is 1,330 feet above the sea, and it is in latitude $55^{\circ} 45'$. Well, the reason I put that down in my notes: I was there on the 30th of September, 1875. The potatoes in the garden at that time were growing and had not been killed. The Roman Catholic missionaries had what I will call a horse grist mill to grind the wheat. The conclusion I drew was that they would not have a wheat mill if they did not raise wheat. That was in 1875, and as I say Isle Lacrosse is 1,330 feet above the sea. Athabaska lake is 690 feet above the sea, and if I were talking geologically to you, I would tell you that our Great Lakes lie nearly on the same level. Lake Superior, you know, is only 600 feet above the sea. Then we run in a north-westerly direction and we come on Lake Winnipeg, 710 feet. Then we pass on north-westerly again, and we come to Lake Athabaska which is 690 feet above the sea, thus showing that nearly all the Great Lakes run nearly on the same line.

COMPARATIVE PRODUCTIVENESS OF CEREALS.

When I was at Lake Athabaska in 1875 I learned from the missionaries that they grew wheat not to grind put to boil. I went into the field where the stooks were on the 23rd of August and brought away not the grains but the heads, and I brought them with me to Winnipeg, and the result is shown in this book. But here was the astonishing part of it, the wheat that I got at Lake Athabaska had an average of five grains across the face of the ear. When I took it to Winnipeg the American Consul there was astounded when he saw it. 'Why,' he says, 'we in Minnesota have very little more than two grains across the ear.' And you gentlemen haven't very often more than two in Ontario. And in Dakota they had not an average of three, but between two and three; but here I was, coming from the West, with an average of five. When I reduced it down to the average to the acre then I said the wheat of Manitoba and the West will have an average of three to four, and hence I put on twenty bushels to the acre on account of the number of grains. I said, 'If you can raise thirty bushels to the acre in Ontario under certain conditions, they will raise fifty bushels to the acre under the same conditions in the Northwest. Of course, I was talking big, gentlemen, but I had a big subject. At any rate, what I was at was this, that all things being equal the same number of straws in the far north would produce fifteen or twenty bushels to the acre more than you could obtain on the same number of straws in the east. In Winnipeg we had a kind of meeting of five or six of the leading men there; there is only one of those who were present living now, Professor Bryce, all the others are dead. Consul Taylor, of Winnipeg, was there, and he explained to us then—I knew it possibly then, but I know it better now—that whenever any kind of production comes near its northern limit it produces more, and its progeny seems to have greater strength. Now, since that time I have applied that principle to man and beast, and I find that it is correct.

By Mr Lewis:

Q. It is the same way with the human being?

A. Yes. That is the reason I say that we northern people are going to be the dominant people. Of course it was all from Consul Taylor I got my information in the matter of wheat.

By Mr. Herron:

Q. What are the great obstacles to navigation in the North Saskatchewan?

A. Those mud bars; you call them sand bars, but I call them mud bars.

Q. Are they numerous?

A. Yes, they are numerous. You see the river current is running along and it meets a bar, and then possibly scoots across to the other side of the river and digs in on the bank on the other side, and then it bends out again. Wherever it goes in

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against the bank it digs in and washes the earth away, and wherever it leaves the bank it leaves a bar. At the lower end of these bars is always found a fine silt and at the upper end it is chiefly gravel, and as the river cleans out the bar at the upper end it keeps adding to it below. The river being so muddy you cannot tell where you are going to run on a bar; you are on the bar before you know it, even when you are going in a canoe.

By Mr. Lake:

Q. While you are on that subject, I think perhaps you may have referred to this matter before, but there has been some comment in the press lately, possibly it is an old story, of the possibility of the Saskatchewan breaking into the Qu'Appelle Valley. There has been some correspondence in the press recently on the matter, and there may be some alarm in reference to the question, and I thought you would not mind telling us your opinion on the matter from your observations.

A. Certainly. Two years prior to that book being written, that is 28 years ago, I was commissioned by, I might say Sir Charles Tupper, it was Sir Sandford Fleming who instructed me to go into this country and to go between latitude 51 degrees and 52 degrees after going to the 102 meridian, and start from there and go north-westerly. But particularly I was instructed by Colonel Dennis, who was deputy minister at that time, to go and examine and see whether they could not cut a canal between the head of the Qu'Appelle and the Saskatchewan, because it was then reported there was no difficulty about turning the waters of the Saskatchewan into the Qu'Appelle. I had two surveyors with me, and we camped at the elbow of the Saskatchewan there. There is a little river—well, the river is not wider than that (illustrating)—it is called the 'River that Turns.' This little river runs into the Saskatchewan just at the bend. Here (indicating on map) is the head of the Qu'Appelle river. Well, I sent one of my surveyors, Mr. Wilkins, to take levels across the head of the Qu'Appelle river to the Saskatchewan, and our hopes were dispersed. There was 85 feet difference in the levels; that is, the level of the Saskatchewan about the middle of July was 85 feet below the source of the Qu'Appelle.

Q. What was the distance between the two rivers?

A. Eleven and one-half miles, by their measurement.

Q. And at that distance the level of the Saskatchewan was 85 feet lower than the water in the Qu'Appelle valley?

A. Than the source of the Qu'Appelle.

By Mr. Wright (Renfrew):

Q. I understood you to say, at the last meeting, that you saw wheat growing on saline soil. Is that so?

A. Yes. When I used the term saline soil, I did not mean what is commonly called salt soil. I will put it in another way. I saw wheat growing on the land that we formerly thought would not grow anything, what they called bad soil, that was unfit for anything. I had that view myself, but I know better now. Saline soil is a better soil after it is broken up, because it contains more of the ingredients that make good straw and wheat.

By Mr. Burrows:

Q. Is that what we call gumbo?

A. Very likely it is what you call gumbo.

NAVIGATION ON THE SASKATCHEWAN RIVER.

By Mr. Herron:

Q. With reference to navigation, did the Hudson's Bay Company at any time send steamers up the Saskatchewan river to Edmonton?

A. Yes, I have seen them myself. I am glad you mentioned that question, because there are two or three things that will now come out of it. I myself took all my materials and provisions for five months and my whole stock of carts, and Mr. King, the astronomer, took his, from Winnipeg by boat to Fort Ellice by the Assiniboine, in the spring of 1879, and we beat, by a number of days, the whole crowd that went by land. We landed our stuff at Fort Ellice, and that same year, or perhaps the year afterwards, in 1880, people went by boat all the way to Fort Pelly, on the Assiniboine. But as the railways came in, there was no more steamboating of that kind. I remember, in the spring of 1880, when we came up in the same way to the site of the future town of Brandon, I asked a gentleman to locate some lands for himself and also for me. I suspected that Brandon was going to be located where it is now, and I wanted to be in the beginning on the ground floor, but he could not see it, and so I did not get any.

Q. What length is the Saskatchewan river without any rapids?

A. I do not know of a rapid on the Saskatchewan from above Cedar lake. There is no rapid, as far as I know, so far above Edmonton, and perhaps above the Rocky Mountain House.

Q. Then, there would be a distance by the river of 1,700 or 1,800 miles?

A. Very likely; I would not be able to say. But, you see, the railroads are stopping all that. I saw the steamboats come down loaded to Prince Albert from Edmonton, in 1896, when I was there. Now, you see, that is all done away with. But this is the point I would like to speak about—

By Mr. Lewis:

Q. Where did they go from Edmonton, you say you saw them coming down?

A. They did not run above Edmonton.

Q. How far down did they go?

A. They went down as far as the head of the rapids. The Hudson Bay Company had a sort of little tramway at the rapids. They used to send their stuff up to the rapids, and the boat would take it to Edmonton.

Q. From Edmonton to Cedar lake?

A. That is the way the boat used to run.

By Mr. Thompson:

Q. The whole distance by the river?

A. They would go by the river all the way.

Q. From Cedar lake to Edmonton?

A. From Cedar lake to Edmonton.

Q. How many miles would that be?

A. It is fully a thousand miles by the bends and turns.

Q. What would be the size of the boats that would ply on that river, I mean steamboats?

A. These boats are stern wheelers.

By Mr. Burrows:

Q. Some of them are 300 tons?

A. Yes. The fact of it is, gentlemen, that the building of railways is obscuring our vision, you may depend upon that, in connection with these matters. That is the reason I wanted to say to you, if you would excuse me, that there are no roads now in the Northwest. There used to be roads, but there are now none. There is not a leading highway at all. The only one that is partly kept up is on the old line towards Humboldt, running to the Saskatchewan. Every town has a few roads leading out from it, but when you go out on one of them and follow it up, you go plump against a fence. The old trails, which you could follow with advantage, are wiped out. Thirty or forty times, last year, when out in that country, we would follow up a road and come to a man's fence. We did not ask any question, because we saw no person there

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to ask, but we just pulled the posts down with the wire attached, and laid them down, and rode into the field. Then we crossed to the other side and did the same thing.

By Mr. Wright (Renfrew):

Q. And went on your way rejoicing?

A. Yes.

By Mr. Burrows:

Q. What locality were you in last year?

A. I travelled from Portage la Prairie to Edmonton, along the Grand Trunk Pacific. I thought we were going to have it as easy as I had twenty-seven years previously, told my men that when we reached the 'old trail' all would be well; but the trail sometimes did not run a mile, and we were in sloughs and bogs, as usual.

By Mr. Crawford:

Q. You find roads in Manitoba sometimes do you not?

A. They fix the roads to suit themselves; they do not suit me. Each man has a road to suit himself and when I got into the Galician settlements in Manitoba, what was the result? You would ask 'Is this road all right?' 'Oh, yes' was the reply, and we would follow it and find ourselves at another man's place and have to go away around in order to get out again. Everybody is a road-maker to suit himself there.

GROWING WHEAT ON ALKALINE SOILS.

By Mr. Schell (Oxford):

Q. Is the alkali an injury to the production of wheat or is it considered a benefit?

A. Yes, absolutely, and that is where the grand value of our Fife comes in.

Q. When I was out there I heard a great many reports as to alkaline land being worthless for the production of wheat. I think I heard you remark that you found the very best wheat growing on land considered very bad for alkali. That was my impression also, as I went through the country. I thought I saw land with strong indications of alkali and yet it was considered the very best land for wheat.

A. That is where I gave advice for these people. I would say 'have you broken the land up and found the wheat would not grow?' 'Oh, no,' they would say. Then I would tell them, 'It is no use in your condemning the land unless you have got the actual proof of the thing.' I will give you an example to illustrate what I mean. In 1872 I went out with Sir Sandford Fleming and when we reached Winnipeg, I stopped with Governor Archibald in the old fort. While there I met the future chamberlain of the city, an active little man called Brown. Some of you may remember him. He was the city chamberlain in Winnipeg afterwards. Brown was a progressive man and upon hearing that I was there he came and showed me a well he was digging. It was the first well that was dug there, and I remember the big square hole down through the black stuff which was lined with beautiful white crystals. We called them alkali crystals as a general term. He said to me, 'The water in that well is of no use, it is salt. How far must I go down before I come to good water?' Even in that day the folks thought I knew a whole lot of things that I did not, and Brown was one of them. Well, I said, 'I do not know, but I will tell you this much; that you will have to sink until you come to gravel. If you should get through to China you will obtain no good water until you strike gravel.' We left the well and went out to a potato patch. Now I am coming to the alkali. Going to the potato patch, between the city and Fort Douglas, there was about a mile of land without any occupants. We came to a slight depression in the road and what did I find in it? I was a botanist, you see. I found a whole lot of seaside plants that exist along the Lower St. Lawrence and along the coast. I was astounded at the fact, I had no idea that they were growing on the roadside there, but I took the plants and brought them along to the potato patch. He had broken up a little basin, quite a shallow basin. You know that around Winnipeg at that early date the earth was so trodden with carts and the camping of people

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that there was no grass growing on it, at least none of any length, and when the rain would come it would all run into little hollows. The ground was covered with these little hollows six inches or a foot in depth.

HOW ALKALINE SOILS IMPROVE BY TILLAGE.

But he had gone into one of these places and had broken it up and planted his potatoes, and the potatoes were all in spots. Here and there there would be a few hills and on the other portions there would be nothing. I said, 'What is the matter?' He said, 'That is just the matter, what is the matter? That is what I brought you here for, to find out?' I said I did not know what was the matter, and neither did I until I looked into it, but I will show you. When I began to look into it and to examine the plot I found that potatoes were growing on elevated spots in the plot, and that in the hollows there were none, and then when we dug them up we found the potatoes were all rotten; the alkaline plants, some of them were still left there, you know the kind of ploughing they used to do in the West—cut and cover—and they were growing there. There was the solution of the whole question, there was too much salt. You do not hear anything of that now. Why here is the law. As soon as ever alkaline soil in the Northwest is broken up and the rain is allowed to descend upon the broken up soil it takes the surplus of alkali and puts it down. In other words, it leaches the superabundant alkali out of the soil and leaves it in good condition for growing grain.

Q. Yes, but how long does it require? It takes several years to do that?

A. It just depends upon the amount of alkali that is in the soil, it may take ten years sometimes, though I doubt it.

By Mr. Schaffner:

Q. It takes a great many years to get it out. Where there is a great deal of it in the soil in the dry season the soil becomes quite white?

A. It has been established by actual experience that as soon as they begin to break up the soil and let the rain penetrate it the superabundant alkali in the soil is washed out.

By Mr. Smith (Oxford):

Q. Was not that discovery made by the experimental station at California, and the results demonstrated on the alkaline lands of Arizona?

A. It may have been; I would not doubt it, because I do not know. But that it is absolutely true I am sure.

By Mr. Lake:

Q. You would not advise any man to start operations by breaking up alkali land because it takes several years before you can get the alkali out of it. I have had experience of that myself?

A. Certainly not.

Q. It takes four or five years at least, and it is only after you have kept plugging away long enough that you are able to obtain results?

A. I confess I would not go on alkali land myself.

Q. You would not recommend any man to go there on alkali land where he would have to wait until the superabundant alkali was exhausted?

A. No, I would not. But it is not so much the question about growing grain on alkali land that is a serious matter as is the difficulty of getting good water, which is an absolute necessity.

By Mr. Schaffner:

Q. Did I understand you to say that you have to go to gravel before you can get good water?

Q. Beg pardon, I am speaking of Manitoba. But when you get on the second prairie steppe—

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Q. Well, take Manitoba then?

A. I am speaking of this land in the old lake bottom. But when you get to the prairie steppe, to the second prairie steppe, we get to what we would call rock in situ—in other words, the land is covered in places with drift and in other places there is no drift. Where there is no drift we have alkali lands that you are speaking of. The alkali land at Winnipeg is not of the same character as the alkali land on the second prairie steppe. I am very glad you brought this up, because it is a very important matter. There is a basin that contains fresh water, and here is another basin and when we examine it we find it contains saline water. Now, the question comes up, 'Why?' This one with fresh water is on the drift, and this one with alkaline water has its bottom on the impervious St. Pierre shales, as we call them, that underlies the greater part of the prairie as a permanent sub-stratum. To me this is a most important question, this water question. When I am speaking of alkali at Winnipeg it was of water on the surface; but when we speak of the bad lands on the prairie with these St. Pierre shales on which it is based, the alkaline stratum, the deeper you go into it the worse is the water you get; hence, to get water all over the second prairie steppe you must keep in the drift which overlies that. This applies also to the third prairie steppe, when you get beyond the Beaver Hills and down to Battleford. I am speaking of the prairie country; when you get into the valleys the conditions are different.

By Mr. Schaffner:

Q. We have a great deal of trouble in regard to water. Of course we are on the second prairie steppe, 150 miles west of Winnipeg. With us, if a man started to dig a well the surface alkali would not make much difference, but when we get wells 200 feet deep the deeper we go the worse is the water; it makes no difference.

A. No, you cannot get good water. That is a law to me. If a gentleman says to me, 'How will we get good water on the third prairie steppe?' I would say, 'In shallow wells.' Another man said to me, 'My well is thirty feet deep,' and I said, 'I am glad you did not go through the drift, because if you had done so you would not have got good water.' When you get west of Edmonton you can go deeper, because the drift is deeper there. But it is a serious matter with regard to wells, and therefore I would recommend, in fact I have done it repeatedly, that every farmer that has not good water should gather his rainwater and put it in tanks.

Q. Might I ask you what you mean by the term 'drift'?

A. It is a superficial soil that was not laid down at the earlier time. It is gravel and stones, and clay, sand mud that overlies the alkali that you are speaking of. All of the alkaline ponds in the Northwest are based upon impervious conditions, clay, or something in the bottom that prevents it from leaching away. The fresh water ponds are very often produced from springs.

By Mr. Thompson:

Q. If this water were filtered would it not be good?

A. No, it is not a mechanical mixture, but a real chemical mixture. We found nearly all the ponds in the Touchwood country contained a slight solution of Epsom salts, some of them more so than others.

Q. Are you speaking from experience, Professor?

A. I am, sir.

By Mr. Lewis:

Q. On the second and third steppes, would ploughing make that eventually good soil, the same as in Manitoba?

A. Yes, I am satisfied that all these alkaline lands will be first class, when they are broken up and cultivated.

By Mr. Derbyshire:

Q. And the salt taken out?

A. And the salt taken out.

PROFESSOR MACOUN'S LONG AND VALUABLE PUBLIC SERVICE.

Mr. DERBYSHIRE.—I beg to move, seconded by Mr. Wright (Renfrew): That the thanks of this committee be now tendered Mr. John Macoun, Naturalist to the Geological Survey Department of Canada, for the valuable information laid by him before the committee on the natural capabilities of that large section of Western Canada extending from Edmonton to Portage la Prairie, on the occasion of his appearance before us on this subject. The committee desires also to report its appreciation of the valuable services Professor Macoun has rendered to Canada in the past thirty years of his arduous and official services as a practical science officer of the Geological Survey of the Dominion, notably the following explorations of territory:—

Professor Macoun's first trip across the prairies was with Sir Sandford Fleming in 1872. His glowing report of the country traversed caused him to be sent again, in 1875, to explore the route that it was then intended the Canadian Pacific Railway would follow. When the present route was decided upon, the government sent him, in 1879, 1880, and 1881, to report upon the country that would be opened up by the railway. Optimistic as his reports and prophesies were, they have all proved true. To these are to be added Professor Macoun's explorations in the Canadian Yukon Territory, in 1903, which revealed for the first time that that far northern division of Canada also possesses agricultural resources of no mean order.

The motion was put and carried.

The CHAIRMAN.—I have much pleasure in presenting you, Mr. Macoun, with this motion of thanks from this committee for your valuable services, both past and present.

Professor MACOUN.—Gentlemen, I thank you very much for your kindness in passing this resolution. To an old man it seems like great appreciation.

Mr. LEWIS.—If Professor Macoun is not tired, I would like to have a word from him on the Peace River country.

Professor MACOUN.—I will answer any question that the members of the committee desire to put to me. I might say, that is the country from which I got the wheat, in 1875, that took the prize at the Centennial Exhibition, in Philadelphia.

By Mr. Thompson:

Q. What is the latitude?

A. That is in latitude 59°.

By Mr. Lewis:

Q. How far north of Edmonton?

A. Edmonton is in latitude 53° 53'. It would be at least 400 miles, in a straight line.

By Mr. Thompson:

Q. Where is Dunvegan?

A. Dunvegan is there (pointing to the map); that is Peace River Landing, and Vermilion is there. There is where the river divides, part going into Lake Athabaska and part into the Slave river. It was there that I got the wheat, in latitude 59° exactly. That point is 690 feet above the sea. Vermilion is 950 feet above the sea and in latitude 58° 24'. This is Peace River Landing here. It is in latitude 56° 15'. Down by the water it is 1,225 feet above the sea. The banks are 700 feet high.

Q. How early in the spring can seeding be done in the vicinity of Peace River Landing and Dunvegan?

A. Of course, I could not answer that personally, but I can say, in general terms, that it is not much later than on the prairie. Why do I say that? A hundred years

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ago, on the 15th April, 1792, where Sir Alexander Mackenzie wintered, at the mouth of the Smoky river, he got the prairie anemone, which the farmer calls the crocus, in full flower. At St. John's, the same anemone was in flower on 22nd April, 1873. I was there in 1872. That was in the river valley sloping towards the south. Dunvegan itself is in latitude $56^{\circ} 56'$. It is 1,395 feet, at the water, above the sea. Mr. Horetzski measured the banks of the river from the water up to the level prairie, and made it 687 feet. The general level of the country above Dunvegan would be from 2,000 to 2,300 feet.

Q. Is there much of a snowfall there?

A. In some years; in another year it is light.

Q. Do they have the chinook?

A. The chinook winds are not noticed there, as far as I know; but now that you mention it, I may say that they are noticed here, on the line of the Grand Trunk Pacific Railway. Up through the Yellow Head pass and on the west side of the mountains the chinook is found.

I will not enter at any detail into explanations of the cause, because the time is short. I have made this general statement, gentlemen, and I will now answer any questions that you may submit.

Q. Is not the quality of the wheat improved a great deal in that northern district on account of the long days and the greater amount of sunshine?

A. I have not the slightest doubt, that the length of the day and the greater amount of sunlight has all to do with it. I am satisfied that it is the long day and the clear sunlight that has to do with our wonderful wheat in the Northwest. I have studied the whole matter, and we who know the Northwest know perfectly that a rain-storm will come on, and it is gone and as soon as it has gone, in no time, the sun is out again; and the long days, eighteen hours and sometimes away farther north there is no darkness whatever—there is not the slightest doubt that all these things combined are the reasons we have such wonderful wheat in the west.

By Mr. Thompson:

Q. Do you think the amount of sunshine you get in the early summer will make up for the difference in the latitude between Winnipeg and Dunvegan in the growth of wheat?

A. Yes. The growth in the north, as I discovered up at Dawson, the growth never ceases. When you come down to the Mackenzie basin, which is in latitude 61° , Mr. Stewart, of the Forestry Department, went down the Mackenzie this year, as far down as latitude 61° , and found any amount of vegetables growing in the most wonderful luxuriance, and it all came from the long day and bright sunshine.

Q. This anemone you speak of grows in Dawson in great profusion, we get it in April. But the point we are getting at is will wheat ripen in the Peace river valley on account of the early fall and northern altitude?

A. I am glad you brought that out. Altitude is the bane of ripening. It is not latitude that is the bane, it is altitude. The plateau of the Peace River country runs up to 2,500 feet and more. If you put a thousand feet upon the top of King's mountain here, it would not be as high as that is, and this is only latitude 44. You would not think of growing wheat away up in the air that way even at this latitude. When you get down to Peace river, at Dunvegan, the wheat that is growing there is growing down in the valley, in a trench with the big banks towering up 700 feet above, and when you come down from here at this point (indicating on map) the banks keep falling away, and when you get around here, at Vermilion, it is only 960 feet above the sea. Whereas the river bottom at Dunvegan is 1,305 feet above the level of the sea. So that you see, at once, the difference, the change of the conditions. After you come down to Vermilion the whole country is suited for wheat growing and there is no difficulty about it whatever.

Q. Even although it is so much farther north?

A. It does not matter, it is altitude, not latitude, that counts.

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Q. What is the extent of the country up there that you speak of?

A. It extends—this is a guess, you know, gentlemen, I am not sure,—but to my mind there is no reason why that country should not extend away up to the Liard.

Q. Have you been up to —

A. No, but there is no reason why it should not extend across to the Liard, there, taking that whole country that runs up the Slave river to old Fort Simpson, and across from Vermilion to the Liard.

Q. About how many miles is that?

A. I cannot say, it may be a couple of hundred or much more.

By Mr. Lewis:

Q. Has not that county been travelled over?

A. People have been along the rivers, but the men who have been there have not been there for the purpose of making observations.

By Mr. Thompson:

Q. What is the limit of altitude at which wheat can be grown in any part of Canada?

A. That is a question that time is going to settle. I would not doubt that in time to come, when the country is cleared up and settled, that this altitude I speak of in the Peace river as being too high will produce good wheat.

Q. The hills at Dunvegan are 700 feet higher than the valley, is it possible that good wheat can be grown there?

A. I have not the slightest doubt but that some years it will be successfully grown and other years it will not. It will be uncertain, but the day will come when it will not be uncertain. Depend upon it that the wheat itself is to-day becoming acclimated, that is the wheat you are growing in the Northwest is changing in its conditions and it is ripening itself earlier than it formerly did. Sooner or later, from whatever cause, that will be the result, conditions are changing and I found it so this year. When I started out from Portage la Prairie, I commenced to talk to the farmers to get them to tell me when they sowed their grain, so that when I reached Edmonton I could find the difference between the times at which it ripened. It was just as good and as early a little out of Edmonton as it was in Manitoba, if not better. In the Peace River country we have an immense tract down there in that low region that will produce anything and that is going to support a big population in the future.

By Mr. Chisholm (Huron):

Q. There is a difference in the altitude even between Edmonton and Vermilion?

A. There is 1,228 feet difference.

Q. Yes, that will account for the difference in the prospects of raising wheat?

A. Yes, I think the prospects are more certain because there is no freezing down there; that is a point I forgot to mention. There is no possibility of freezing in the north at night, owing to the long day.

Q. But you may have frost there on the high mountains?

A. You will have frost here away up at a high altitude, but when you get down to the low level it does not cool off enough at night to freeze.

Q. It is the frost that is the danger?

A. That is what we call the white frost. This is always local.

By Mr. Schell (Oxford):

Q. How far north of Edmonton is the point at which you got samples of wheat for the Centennial?

A. Edmonton is in latitude $53^{\circ} 53'$. It will be 5 degrees north of Edmonton. I obtained the sample of wheat at latitude 59° . That will be 360 miles due north from Edmonton, where I got wheat with five grains in the fascicle across the ear. I put the ears in bottles and sent them down to the Exposition at Philadelphia in 1876. They had never seen such wheat before.

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Q. How many bushels to the acre do you think that would bring?

A. If a certain number of straws from Ontario would produce thirty bushels to the acre, that northern wheat with the same number of straws would produce fifty bushels.

By Senator Jaffray:

Q. If that district were settled and cultivated, can you give us any estimate of the quantity of wheat that could be produced there?

A. No, I would not attempt to do that. But I would say this, that the day is coming in which that north country that we consider of no value will be as great a country as Germany is to-day. That is the country that we do not know anything about at present.

By Mr. Thompson:

Q. Is there very much of that Peace River Valley that is alkaline?

A. The banks of the Peace River are of the same kind of shale that this gentleman was speaking about. You will remember if you have been there that the alkali comes out at the side, but I could not tell anything about it, I was not through the country enough to know; but in the river valley, yes, there is a number of alkaline springs.

Q. To what exhibition did you send the samples?

A. The Centennial, in 1876, and obtained the bronze medal for both wheat and barley gathered at Lake Athabaska in latitude 59° on August 23, 1875.

Q. At Philadelphia?

A. Yes, thirty years ago last year.

Prof. Macoun then retired.

The committee then adjourned.

JOHN MACOUN,
*Naturalist, and Assistant Director,
Geological Department.*

THE MACKENZIE RIVER BASIN.

HOUSE OF COMMONS,

Room 34,

January 30, 1907.

The Select Standing Committee on Agriculture and Colonization met here this day at 10.30 o'clock a.m., the chairman, Mr. McKenzie, presiding.

The CHAIRMAN.—Gentlemen, we have with us this morning Mr. Elihu Stewart, Dominion Superintendent of Forestry, and I have much pleasure in introducing him to the committee.

Mr. STEWART.—Mr. Chairman and Gentlemen,—I have had several opportunities of appearing before this committee before and for that reason it will perhaps not be necessary for me to go over all the ground that I otherwise would. I shall endeavour to be as brief as possible and to give as much information as I can regarding the work under the Forestry branch of the Department and after that, a résumé of a trip I took last season down the Mackenzie river.

PROTECTION OF FORESTS AGAINST FIRE.

As you are aware, a few years ago the department undertook the work of guarding timber on Dominion lands. The system worked out then was, that the government should appoint fire rangers and the cost of the work would be divided between the Government and the holders of timber licenses, the Government paying the whole cost of that upon unlicensed territory. The reason of this will be apparent. It would be unfair, of course, and even absurd, to charge the limit holders for any territory which they had no claim on, and on the other hand the Government having an interest even in the licensed timber, it was considered that the system that had been followed in the Provinces of Quebec and Ontario would be a fair one: that is the limit holders should pay one half the cost of guarding this timber. During the past season we have had 74 regular rangers employed and the total cost of the service was \$28,809. Of this number 26 were in British Columbia and 48 east of the Rockies. In addition to this a number of extra men were employed for short periods to quell bad fires. I might say that these rangers, who are regularly employed, have authority, in case of a disastrous fire occurring, to call out additional assistance for a short time, the accounts being vouched for by the fire rangers before they are presented for payment. In addition to this work, during the past season ten men were employed in making a careful examination of the Riding Mountain reserve at a cost of \$2,532. The object of this work on the reserves that have been set aside by Act of Parliament was in order that we might know what we actually had on these areas. Examinations were conducted in the Moose Mountain reserve and in the Turtle Mountain reserve last year. The data collected has enabled us to locate and map the timber, to ascertain the extent of fires on the reserves, and the roads or trails needed for the protection and administration of the reserves, also an estimate of the amount of fuel and saw material available for use.

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FOREST RESERVATIONS.

The result of the past year's work has not been collected yet, or at least not tabulated, but just to give an idea of the formation that we have regarding the Turtle Mountain reserve, I might say that from the measurements that were made—(every tree was not measured but strips were measured and an average taken)—it was found that we have over 77,000 cords of green fuel in those mountains, over 91,000 cords of dry wood, and over 1,000,000 feet of saw material—that is, timber fit for lumber. In the Moose Mountains we have 93,000 cords of green fuel, 100,000 cords of dry fuel, and something like 5,000,000 feet of saw material. I am speaking of the forest reserves. You perhaps will remember that at the last session of Parliament an Act was passed by which 21 forest reserves were created, part being in the railway belt of British Columbia and part in the two new provinces, and also in certain districts in Manitoba.

The whole area of these reserves is 5,391½ square miles. The Act in question places the management of them under the Forestry branch, and also provides that these shall be more than simple timber reserves: they are to be reserved for fish, game and all the animals in them. We are endeavouring to work out a system of service there which I think will be of very great value. In our northern territory we have a country which, in addition to the very important asset of timber, contains valuable fur-bearing animals, and I can see no reason why these timber reserves should not also be game preserves, not only for the animals for the chase but also for the sake of the fur they will produce.

TREE PLANTING.

I shall go on to speak of the tree planting. You are aware that since the year 1900 we have been engaged, in co-operation with the prairie settlers of the Northwest, in growing forest trees. This has grown to be a very important part of the work of the Forestry branch. I have tabulated the distribution of trees from the time that we started the work. In 1901 we supplied 18 farmers with 58,000 trees. In 1902 we supplied 415 applicants with 468,000 trees. In 1903 we supplied 627 applicants with 920,000 trees. In 1904, 127,000 applicants with 1,800,000 trees. In 1905, 1,122 applicants with 2,000,000 trees in round numbers. In 1906 there were 1,200 applicants who received 2,100,000 trees.

By Dr. Barr:

Q. Might I ask you, do you give those trees free to the farmers?

A. Yes.

Q. How do they send in their application?

A. If you will just pardon me one minute, I will explain this first. In 1907, this season, we have ready to distribute two million trees to 1,421 applicants. When we have distributed those that are now 'heeled in' ready to distribute, tied up ready for distribution this coming spring, we will have distributed a total of 9,346,000 trees, and the average number supplied to each applicant is 1,400.

Now, in answer to the question as to the system on which we proceed in this work, I would say that any applicant wishing to act in co-operation with the government in the growing of trees makes application to the office here. He may apply on a slip of paper or a postal card, or in any way at all and let us know that he wants to co-operate with us. We then send to the applicant a form which he fills out, giving the number of his lot, his post office address, express office and other information which we need. We do this because so frequently in writing the applicants do not give us this information. Upon that printed form they make their formal application which is filed. For next season the applications are coming in now, and next season every one of these applicants will be visited by an inspector who will inspect the ground and take notes of the kind of soil intended to be used. When we receive the inspector's report we will be able to determine what kind of trees will best suit that particular district. A little plan is made of the ground where they are to plant

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the trees, and they enter into an agreement with the department that they will, if furnished the trees free, set aside a certain portion of their land for the purpose, that they will not destroy the trees, that they will keep them fenced and will preserve them from fire; also that they will keep them cultivated for about five years, or until such time as they do not require further cultivation.

Q. What kind of trees have you for distribution?

A. The principal varieties are the Manitoba maple, the green ash, the cottonwoods, and in certain cases the Russian poplar and some elms. The main object is to assist the settler in growing shelter belts on his homestead. We do not aim at furnishing all the trees that we hope will be grown in the Northwest eventually, but we are doing an educative work and, at the same time, giving a shelter belt or fringe to the more delicate shrubbery and coniferous trees, and it is expected that the settler will follow up the work in this direction.

By Mr. McCraney:

Q. From what part of the west are these applications coming in?

A. The applications are general from all parts of the prairie between the Rocky Mountains and the Red river. But I want to say this that we do not supply trees to anyone who is living where they have trees growing naturally. That is not the object. Our desire is to encourage the growing of trees where they are not grown now.

By Mr. Lewis:

Q. Have you any trees for distribution in Ontario and Quebec?

A. No. In fact the distribution is only made on prairie lands.

By Mr. Blain:

Q. Have you any statistics to show what proportion of these trees live?

A. That is a very important question and I am glad it has been asked. I had our inspectors, when they were going around, make an estimate, and although I have not yet had the estimate for this past year tabulated, but for the year before, going over the inspector's reports and taking the list of all that we had furnished during the years that the distribution had been in progress, and taking the number then living as estimated by the inspectors, the record shows that about 85 per cent were then living, that is 85 per cent of all that had been sent out were living in the summer of 1905.

By Mr. Burrows:

Q. How old are these trees when sent out?

A. The seed of the Manitoba maple is planted in the spring, taken up and heeled in the fall and sent out the next spring. The ashes take two years, and the elms, of course, take much longer.

At the present time I might say that the applications are coming in at a much greater rate than in previous seasons, we have an average of about fifteen applications received at our office each day, and they will increase much faster from this on until the first of March, when we cannot receive any more for this year.

By Mr. McCraney:

Q. Where do you get your supply of trees from?

A. I have placed on the wall here a photograph of trees growing in our nursery. We grow them at the Forest Nursery Station which we have established at Indian Head. At first when the work started the Agricultural Department was kind enough to allow us to use a portion of their land at the experimental farms at Brandon and Indian Head. The work, however, got so large, and we required so much land, that it was impossible for them to give it to us, so we took 160 acres just south of Indian Head, about $1\frac{1}{4}$ miles from the station and we have concentrated the whole work

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there. The trees are nearly all grown from seed, with the exception of the cottonwoods. The cottonwoods are difficult to grow from seeds, but cuttings can be got from along the river banks. We have got most of them from the river of Dakota near Bismark, the Missouri river; they grow along the bars there. We could not get them any other place as well or as cheaply as we do from that point. Nearly all we have are brought from there.

By Mr. Wright (Renfrew):

Q. Do you own that 160 acres?

A. Yes, we have taken that over, it was Indian lands. We are now acquiring 320 acres; there was 160 acres taken at first, but we have now enlarged it to 320 acres. I have some photographs of the buildings that we have erected there which will be passed around for the inspection of the members. We are not only growing trees for distribution there, but there will also be a permanent nursery, we are trying to find out what imported trees will grow in that climate under forestry conditions.

Q. Did you ever try walnut?

Q. No, but they have been tried at the experimental farm; we do not attempt to do anything that has already proved a failure when it has been well tried at the experimental farms. It is beyond the range of walnut or hickory. There was a question asked here once before about hickory, but it is useless, I think, to try it in that climate.

The objects aimed at in starting this system of co-operation were first, to assist the settlers on the bare prairies in growing a forest plantation on his homestead, and second, by so doing to educate not only the individual so assisted, but his neighbours in the work of silviculture. Here is an object lesson all over the plains of the Northwest. It may be perhaps only one or two in one township, but if the settlers there see how those trees have grown, how they have been cultivated and under what conditions they have grown, they can go on and do the work for themselves. Many of them we hope will do so. More than that they will be able to grow fuel as well. If I had time I would be able to give figures to show that it will be profitable for them to grow a certain quantity of timber for fuel.

By Mr. Shaffner:

Q. In regard to Manitoba maples, have you any definite idea how long they will live?

A. How long they will live?

Q. There has always been an idea in the country that the Manitoba maples are not long-lived?

A. I think we had one on exhibition which was eighty years old.

Q. There is quite an impression in the west that the lives are from fifteen to twenty years?

A. I do not think they are long-lived trees by any means, but it is a capital tree for shelter purposes even if we only get it for a few years. Within that shelter other trees can be grown thus serving the desired purpose. The green ash is a much favoured tree in the west.

Q. So is the elm?

A. And the elm too, but the ash is easier grown there.

By Mr. Lewis:

Q. What is the difference between the Ontario maple and the Manitoba maple?

A. The Manitoba maple does not grow to the size that our maples do. It is not as hard as the hard maple. There are many points of difference between them.

By Mr. Wilson (Lennox):

Q. Is the Manitoba maple as hard as our soft maple?

A. I think it is quite as hard as our soft maple.

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By Mr. Burrows:

Q. I saw a few of those trees growing opposite the Surveyor General's office that were 10 to 12 inches in diameter?

A. Oh, yes.

By Mr. Jackson (Selkirk):

Q. Where do they call it box elder?

A. They call it box elder in Dakota. Our own maples are far better and we should never bring Manitoba maples here. But they are very hardy and they answer the purpose on the plains in a way that no other tree does.

■
TREE NURSERY STATION.

By Mr. Wright (Renfrew):

Q. The fast-growing are poor trees as far as wood is concerned.

A. I might say a few words with regard to the nursery station at Indian Head, for I have not mentioned it before. The buildings were erected in 1904 when the land was bare prairie. One hundred and sixty acres have now been brought under cultivation or else is occupied by roads, buildings, dam and pasture. In 1906 24 acres were under actual nursery crops, 14 were summer fallowed. It is necessary that this ground should be worked up before we can plant the trees upon it: 25 acres were under oats; on 25 acres there was fresh breaking and backsetting, 15 acres under pasture, 14 acres under permanent plantation, and 14 acres were under hay and barley. According to carefully prepared figures based on the actual wages paid out and the time devoted to each department of work we found in 1905 57 cents represented the actual cost per thousand of raising the seedlings for distribution. Including the total wages paid out at the nursery in 1905 the average cost per thousand is brought up to \$1.42. Over 50 per cent of these wages represent preparing ground for future crops, fencing, laying out, caring for ornamental grounds, roads and drives, and caring for permanent plantations which cannot be properly charged against cost of seedlings. So that \$1.42 was the whole cost per thousand of trees. In 1907 there will be 37 acres under nursery plots of broad leaf seedlings and probably two acres more devoted to conifers. About 13 acres were set out in permanent plantation in the spring of 1905. The varieties were maple, cottonwood, ash, elm, birch, willow, Russian poplar, spruce and Scotch pine. One hundred and sixty acres adjoining the present nursery site, as I said, have also been transferred to the nursery station. The land at present is prairie, but will be brought under cultivation.

By Mr. Shaffner:

Q. You would not recommend the cottonwood?

A. Yes on heavy soil where quick growth is desired.

Q. Is it more durable than the Manitoba maple?

A. It is a better tree for fuel on account of its more rapid growth.

By Mr. Adamson:

Q. Does it last longer than the Manitoba maple?

A. I do not think so, probably about the same time.

By Mr. Burrows:

Q. It grows to a great size?

A. Yes.

By Mr. Schell (Oxford):

Q. How do you distribute your trees?

A. We distribute to the prairie sections of the west only.

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Q. You do not send to people in towns or cities ?

A. No. We occasionally have endeavoured to work on those lines. That is to say schools often wish to have plantations, and we give them trees when the application is signed by the chairman of the school board and is otherwise all right. We have not given trees to cities because they are apt to be cut down as new buildings are added. There have been applications for trees for park purposes, and there was one, I think, in the case of Lethbridge and Medicine Hat, in which something was done by special agreement with the council, but there has not been any great development in that way. We did propose that we would assist in the giving of seed, and the inspectors would be able to state what kind of trees should be planted and so on. In that way assistance might be given but it is not our object to grow ornamental trees for distribution.

By Mr. Lake:

Q. Have you found that any considerable proportion to whom you supplied these trees failed to look after them?

A. We have some cases.

Q. Are they only a small proportion?

A. Yes a very small proportion. In some cases we have refused to furnish them with trees again for that reason. If it were not for the inspection carried on I think there would be many more such cases. The inspectors go round and remind them of the agreement in which they have undertaken to care for the trees and are not performing the obligation. I certainly think the inspection part of the work is most important.

By Mr. Lewis:

Q. Do you supply all that ask ?

A. We have been able to supply every applicant so far where the inspectors' reports state that ground has been properly prepared, but not always with the number they asked for.

Q. Do you supply them twice?

A. Yes, if they take care of their trees and wish to extend their plantations we do what we can to let them go on. If they have not done so we refuse to supply them with more trees.

By Mr. Lake:

Q. Have you supplied any of the conifers?

A. We have not done so yet.

Q. When do you propose to do so?

A. It takes a great deal of time to raise conifers. We have only been started a short time and the conifers are hardly large enough yet for distribution. It is possible that in the future we may be able to make a distribution of some varieties of conifers; but owing to the difficulty of obtaining seed and the great care required in growing them in the nursery as well as in planting out, we cannot hope to make their distribution as general as we have in the case of the broadleaved seedlings.

Besides the stock heeled in for distribution, which I spoke of amounting to about two millions, we estimate there are at the nursery 1,200,000 one year old ash. As I said, the ash have to remain in the nursery two years. The Manitoba maples, which grow faster, we sow in the spring, take them up in the fall, heel them in, and distribute them the next spring. Of one year elms there are 300,000 in nursery rows. Seedling and transplanted conifers 500,000; making a total of 4,000,000 at present at the nurseries including those that are to be sent out this spring.

By Mr. Findlay:

Q. Excuse me, you speak about elm, is that the same elm as we have here?

A. It is the *Ulmus Americana*, the ordinary American or white elm.

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Q. Is it the rock elm?

A. It is not the rock elm that we have.

By Mr. Smith (Oxford):

Q. Have you got any hardy varieties for crossbreeding in the Northwest, experimenting along the lines that Burbank has operated, for instance?

A. That is work that will have to be done at the experimental stations, we do not propose to engage in that work.

By Mr. Kennedy:

Q. Will any of those trees grow from slips, from their own cuttings?

A. Oh, yes, some of them will.

Q. Could not the farmers be instructed in raising trees from their own slips, keeping the stock growing all the time?

A. The cottonwoods will grow that way, and the willows also. Of course the farmers could do as you suggest.

Q. I would like to ask about those elm trees, have they been a success on the prairie where it is not well watered?

A. Yes, we have found that the elm we have will grow where it is properly cultivated. The information given me by the inspectors is that it will grow if there is proper cultivation. We find that even in southwestern Alberta those who relied on irrigation were less successful with these trees than those who depended on working up their soil well.

By Mr. Lewis:

Q. Without desiring to interfere with the order of matters, will you kindly explain that map on the wall at which we are all looking?

A. I think I have about finished now my remarks in connection with the tree planting and the forest work, and with your permission I will now go on to the other part of what I was announced to speak on.

By Mr. Smith:

Q. What conifers are hardy there, the white spruce?

A. Yes, the white spruce is hardy.

Q. Is that the only one?

A. No, we have the Scotch pine growing there very well with the native larch, which grows splendidly.

Q. Does the tamarack grow there, is the larch tamarack?

A. Yes.

By Mr. Lake:

Q. Do you consider the larch the best of those trees? Is it better than spruce?

A. Undoubtedly; I think the larch will be one of the best trees than can be grown, the larch for a conifer and the ash for a broadleafed tree, are the two trees that, in my opinion, are the best suited for the country. The larch or tamarack, as you know, is good wood for fuel and better than spruce for railway ties, fence posts, &c.

By Mr. Kennedy:

Q. It will grow on the high ground?

A. Yes.

By Mr. Lake:

Q. Will it grow as rapidly as spruce?

A. It will grow very rapidly, if you have been at Indian Head you will have seen it there, it has grown very far above the spruce.

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By Mr. Smith (Wentworth):

Q. Is the European larch the same as the tamarack ?

A. It is very much the same.

By Mr. Wright (Muskoka):

Q. Will the ordinary white pine grow there?

A. We are going to try it, it may grow, but we have not tried it yet. We will try all these various species of trees later on and hope to be able to give reports upon them.

By Mr. Jackson (Selkirk):

Q. Are there any hardwood trees—can you name a single hardwood tree—whose home is in Ontario that will grow in the west?

A. I would not like to say whether it will or not—

By Mr. Wright (Renfrew):

Q. Does not the oak grow there?

A. The oak grows in the Pembina mountains and elsewhere in Southern Manitoba.

Q. Have you experimented with the Ontario oak to see whether it will grow there?

A. Trials have been made at the experimental farms, but they have not been successful.

Q. Then the Ontario oak will grow in Manitoba, for instance we have scrub oak in Manitoba, but is that the Ontario oak?

A. You have to discriminate there—

By Mr. Jackson (Selkirk):

Q. Just the same as we have the maple in Manitoba, but it is not the same we have in Ontario ?

A. It is not the white oak or the red oak you have growing there.

Q. You cannot grow them there ?

A. The trials before referred to at the experimental farms would indicate that these varieties will not grow there.

Q. Your experiments have not shown that they will grow there?

A. We have not made any tests yet.

Q. I have reference to hardwood timbers ?

A. Well, we will be doing that later on.

Now, if there is any question that any gentleman wishes to ask I will be glad to answer. I do not wish to pass on to another subject if there are any further questions.

By Mr. Smith (Wentworth):

Q. Do you find the seedlings hardier if grown from seed taken from trees in Manitoba, hardier than from seed brought in from outside?

A. Yes, they are better.

By Mr. Wright (Renfrew):

Q. That oak I saw growing on the banks of the Rainy river is not that the same as the oak in Ontario ?

A. It looks to me to be the same.

By Mr. Burrows:

Q. The ordinary white oak is only grown in the eastern districts?

A. There is a difference between that oak and the western oak; I am not speaking of the Rainy river district.

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By Mr. Lewis:

Q. You are sending out trees to be planted afterwards on the prairies ; can you give any reason why there are no trees growing there now ? If the trees will grow there when you send them out why are there not trees growing there naturally ?

A. There have been trees growing on many parts of the prairie although there are no trees there now.

Q. But why is that ?

A. The prairie fires have swept over there.

Q. Why would that not be the same way in Ontario, where it is covered with forest ?

A. I have seen country in Ontario practically growing into prairie, but there is a reason why it should not do so to the same extent as in the west. There is more rainfall here, you have not fires sweeping over large districts in Ontario as they have there.

Q. You will see in the Saskatchewan valley and in the valleys of other rivers the land is covered with trees, how is it that they have not been swept clear ?

A. It is because the fires have not gone into the valleys, they have not swept through the valleys as they have over the prairie. The valleys have been protected by the rivers. I think that is the reason.

By Mr. Burrows:

Q. You made a statement some time ago that one of the important factors in connection with the timber reserves was the valuable fur that they contained. Now, I understand, that the local government has charge of the regulation of fur-bearing animals, of the catching and selling of furs ?

A. That may be, but in the Act that we passed last session there was a proviso which stated that as far as the Dominion Government had power—without pretending to give you the legal definition of that, I would say that the government stands in the same relation as the owners of those reserves, as a private person would. We will have to work under the provincial laws, no doubt, for the punishment of offenders, and with regard to the close season, perhaps, just the same as we have to work under the provincial laws for the punishment of violation of the law with reference to setting fires. It seems to me that is the way it works out, that the government just takes the position of a private individual as owner of these reserves.

Q. And the game on the reserve ?

A. Yes, I think, that the Dominion government would own the game, but in the north country there is a vast territory outside of the provinces where the game would be a most important matter to be looked after, and my idea is to make these forest reserves also preserves or fur farms, where we would raise fur-bearing animals, and perhaps improve them. Undoubtedly we have an asset in the northern country even as far as the Arctic in the fur-bearing animals which will increase with the value of furs, and the protection of these animals is worthy of careful attention.

By Mr. Wright (Renfrew):

Q. I just want to draw your attention to this fact that the oak flourishes around Fort Frances on the Rainy river ?

A. Yes.

Q. And when you leave Ontario and go to Oak Point (Point de Chene) in Manitoba there are oaks to be found also in Manitoba ?

A. Certainly there are oaks in the Pembina mountains, but there is no oak after you get far west. I do not think there is any oak west of the Province of Manitoba, certainly not far west of the boundary of that province.

MR. LAKE.—Between Broadview and Whitewood is where you see the last.

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By Mr. Kennedy:

Q. Can you explain why it is there is oak on Vancouver Island and none on the mainland?

A. It is a question that is pretty hard to answer.

Q. I am merely making the statement that is the fact.

A. Oh, yes.

By Mr. Herron:

Q. Would it come under your department to protect the game in the Northwest or to recommend protection for game. There is great need of it in the foothills of the Rocky Mountains where the Indians, particularly the Stony Indians, are exterminating the deer and other game?

A. Yes, the Act that was passed last session with reference to the forest reserves makes provision for that. It says: 'That in order to protect and improve the forests for the purpose of maintaining a permanent supply of timber and to maintain the conditions favourable to a continual water supply and to protect, as far as the Parliament of Canada has jurisdiction, the animals, fish and birds within the respective boundaries of such reserves,' &c.

MR. HERRON.—Just for the information of the committee, I might say that this time last year inside of four weeks, there were over 400 deer killed by Indians near where I live. They slaughtered 400 of them within a radius of perhaps 30 miles.

MR. BARR.—What kind of deer?

MR. HERON.—White tail and black tail.

MR. STEWART.—I am sorry but that district is outside of the forest reserves and the Act would not apply there.

CEREALS GROWN IN HIGH NORTHERN LATITUDES.

Before I go any further let me say this: A few years ago, I think it was three years since, I made a trip from Edmonton to the Peace River country, going up the Athabaska and up Little Slave river to Slave Lake and then across to the Peace river. Although my object was, as it was last season, to ascertain the facts regarding the timber of the country, I thought it wise to take notes regarding the agricultural possibilities of that region, and I have here some samples of the wheat grown there. One sample is from Lesser Slave lake. Here is another that came from the Peace river, and there is also some wheat that came from the Roman Catholic mission on Lesser Slave lake.

By Mr. Lewis:

Q. Will you please point out those places on the map?

A. Yes, I will do so gladly. I would also say that I have here some hulled barley which also came from Lesser Slave lake and some tobacco from the Peace river country. I am afraid, Mr. Lewis, it will be very difficult to see at any distance the points which I would like to indicate on the map. Here is Edmonton and here is Athabasca Landing. On that trip to the Peace river I went up the Athabaska and then up Little Slave river to Lesser Slave lake, and then from Lesser Slave lake to this point at the end of the lake and then across to the Peace river landing. That is where the grain was grown which I have just exhibited to the committee. The latitude, as near as I can find it on the map, is 56 degrees.

AREA OF MACKENZIE RIVER BASIN.

Now, during the past season I undertook a trip for a much longer distance down the Mackenzie river. This map will show the timber areas as far as the data in our possession enables them to be outlined. You will see here what are called the bar-

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ren lands and here is what is called the northern forest area. Now that is supposed to be the limit of the northern forest growth.

Q. What is the latitude?

A. It is in various latitudes. Up here it is $67^{\circ} 45'$. Here is what are called the 'barren lands.' This is more or less wooded. I took a trip through this country to ascertain as far as I could the character of the timber. This line represents the northern forests. It is not densely wooded, and yet it is not prairie. This is the prairie region.

By Mr. Burrows:

Q. It is very small in area?

A. It is very small indeed compared to the whole region. The great river I am pointing out to you is the Mackenzie. The area of the Mackenzie basin is 451,400 square miles. To make a comparison between it and the St. Lawrence above Montreal, taking in all the great lakes and all the country on both sides of the boundary line within this watershed and the area of the latter is only 368,900 square miles or nearly one hundred thousand less than the area drained by the Mackenzie. I might put it in another way. Here is a large area which as you will notice takes in the main Saskatchewan as well as the two branches of that great river. It includes the whole of what is known as the fertile belt and yet it is scarcely one-third of the area drained by the Mackenzie river. I have the figures as nearly as they could be collected and the area drained by the Saskatchewan, including the main stream and both branches, is but 159,000 square miles, as against 451,000 drained by the Mackenzie river.

Now, as to my trip, I went to Edmonton and from there drove out to Athabaska Landing, a distance of about 100 miles. Then I took the steamer and went down about 165 miles to Grand Rapids. As I go along I will try and tell you what I saw as I proceeded through the country. It may be interesting or otherwise, but perhaps it will be the best thing for me to do. At Pelican rapids we saw a burning well. The government a few years ago caused several wells to be sunk in that country for oil. One was near Edmonton—at Victoria, I think.

COURSE OF TRAVEL—A BURNING GAS WELL.

They went down some 1,700 feet and the casing gave way and they could not go any further. They put down one also near Athabaska Landing which practically the same result. At Pelican Rapids at a depth I think of about 800 feet, going through several feet of tar sands they struck a flow of gas that was so strong as to interfere with further work. That gas well was burning when we were there.

Below that, we went to Grand Rapids in the steamer, and from there on to Fort McMurray, which is just here (indicating on map) at the entrance to Clear Water; that is 245 miles from Athabaska Landing. From Grand Rapids to Fort McMurray, a distance of 85 miles, we had to take scows. It took us longer to go that distance of 245 miles than it did all the rest of the way to the delta of the Mackenzie river. The water was very low and the steamer was aground more than half the time.

ASPHALT,—PROBABLE EXISTENCE OF OIL WELLS.

The reason of their boring for oil in that part of the country is owing to the presence there of vast areas of what is known as 'tar sand,' it is asphalt. This petroleum that has escaped, has oozed out from the sands, and is left in a condition something like that (exhibiting sample) with a strong smell of tar. There is a very large area of that which has been reported on by the Geological Survey, and it is quite possible that oil wells of very great value will be found there. There is certainly a very large area of it that shows the existence of petroleum. It has been analyzed and the proportion of petroleum it contains ascertained which is pretty large. This country all the way down to Athabaska lake here (indicating on map) is what I would say

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second class land. There are plots in it that are poor. I saw wheat growing at Pelican rapids and also vegetables growing which were very good, but it is a country of muskegs with spruce timber along the streams. There is a good deal of muskeg with portions of good land, but it is hard to say until it is explored what portion of it will be fit for settlement. We had a steamer from Fort McMurray down the river to Athabaska Lake, and down Slave river, passing the junction of the Peace river here (indicating on map). There is an obstruction in the Slave, and you have to make a portage there of sixteen miles; but from there we got another steamer, the *Wrigley*, that took us down to Great Slave Lake, across that lake and down the Mackenzie and up the Peel river to Fort MacPherson, a distance of 1,300 miles. This steamer drew 5½ feet of water. The whole distance from Athabaska landing to Fort MacPherson at the delta of the Mackenzie is 1,851 miles. I think Professor Macoun mentioned that I had seen wheat growing at a point very far north.

GROWTH OF WHEAT AT FORT PROVIDENCE.

On July 15 I was at Fort Providence, I had seen grain before at other points that I am not mentioning here. Here is Fort Providence (indicating on map) in latitude 61 degrees 25 min., or about 550 miles farther north than Edmonton. That is where, on July 15, I saw the wheat in milk that was spoken of the other day. I also saw potatoes in flower, peas fit for use, tomatoes, turnips, rhubarb, beets, cabbage, onions, &c., and fruits such as strawberries, which were ripe at the time, raspberries, currants, gooseberries, and saskatoons. This was a small field of wheat of not over two acres I should say, at the Roman Catholic mission. I took a photograph of it but unfortunately it did not turn out very well. There was a very fine field of potatoes and a part in wheat, and the wheat was headed out and the grain fully formed on July 15. It had been, I understood, sown on May 20. I was very anxious to know whether that wheat had ripened or not this year, and fortunately, within the last few weeks Mr. Laird, from Winnipeg, who accompanied me down on the *Wrigley*, and who saw the field of wheat, came into my office a few weeks ago and told me that when he returned on the boat he went out to see the wheat on July 28, and the wheat had then been cut.

By Mr. Smith (Wentworth):

Q. Did those in charge say that it was an ordinary occurrence for wheat to ripen there?

A. I understood they grew wheat frequently, but I did not have an opportunity of seeing anyone that could give me much information about it.

By Mr. Burrows:

Q. Did you find out whether there is any considerable extent of land that could be cultivated in that district?

A. That was difficult to ascertain in passing along the river. The whole stretch of country along the Mackenzie river from Great Slave Lake to the delta of the Mackenzie is nearly all alluvial soil, very similar in appearance to the soil of the North-west prairie.

My object in going down was to investigate and ascertain the timber resources of the country. I do not want to say, and I do not want it to go out as my opinion, that the whole of that district is capable of growing wheat; I would not want to say that all the country was as good as it is along the rivers; I rather think if you go back a short distance from the river very frequently you will fall into muskeg, but you will get another tributary stream, perhaps, and along the banks of that stream you will find alluvial deposits. Wheat has been grown further north than Fort Providence, not very much farther north, but farther down the river at Fort Simpson it has been grown. I do not know of any farther north. All the way down and particularly at Simpson we found the same vegetables as at Providence. Here is Fort Simpson at the

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junction with the Liard river. The principal tributaries of the Mackenzie are the Liard, the Peace and the Athabaska.

By Mr. Lake:

Q. What height is Providence above the sea level?

A. I am afraid I cannot give the exact figures; they can be obtained. The elevation of Great Slave lake is given at only 200 feet, and Fort Providence is a short distance below on the Mackenzie river, so the elevation of Providence will be a little less than 200 feet above the sea.

By Mr. Smith, (Wentworth):

Q. I suppose that steamer makes several trips during the season?

A. One trip a year.

Q. How long does it take to make the journey?

A. I was going to say that I left Athabaska Landing on the 8th of June and reached Fort MacPherson on the 21st July. It was the 2nd of July when we left Fort McMurray. The water was very low otherwise we would not have taken so long a time as three weeks. We went from Fort McMurray to Fort McPherson in 19 days. We were about a week getting across the portage on Slave river where an obstruction of some 16 miles has to be overcome. We were there just when the water was coming down from the mountains. It is a very different thing going back and I did not care to return by the same route. One reason was that I did not care to journey up stream, and the other that I preferred to see the new territory. I hired some Indians at Fort MacPherson and crossed the divide of the Rockies. I descended a stream flowing into the Porcupine river and then went on down in a little bark canoe for a distance of about 200 miles. It was the most trying trip I ever had, occupying between four and five days and necessitating my remaining all the time in the one position. I was therefore very glad when the opportunity came to get out and stretch my limbs. I was compelled to sit behind an Indian in a little canoe which was more like an Eskimo kayak than anything else. I went down to Fort Yukon in Alaska and from there got a steamer and proceeded to Dawson City.

LOCAL SUPPLY OF SALT.

An interesting fact which I noted in my journey was that the Hudson Bay Company do not import salt, but get their supply of that article from the Salt river, about 25 miles below Fort Smith on the Slave river. Now any of you that have read Sir Alexander Mackenzie's narrative of his discovery of the Mackenzie river will remember that he speaks of burning banks near the junction of the Great Bear river with the Mackenzie at Fort Norman. Those fires are still burning. Sir Alexander Mackenzie descended the river in 1798. The banks were burning, as he said, and I saw them burning for about a mile in distance at a point about four or five miles below Fort Norman.

A BURNING COAL MINE.

By Mr. Burrows:

Q. There are coal seams in the river bank, are there not?

A. Yes, the fire is burning in the seams of coal or lignite.

By Mr. Lake:

Q. Is that supposed to have continued for a hundred years?

A. Yes, they say so, but not in the same place. You will see traces all along the banks. For a distance of 25 or 30 miles there are evidences of the fire in the charred clay.

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By the Chairman:

Q. In what condition is the salt found that you spoke of?

A. It is found in the bed of the stream when the water goes down. It is granulated and coarse. It is not rock salt, but there is rock salt in the Bear river I understand.

Now at Fort Good Hope, within a few miles of the Arctic Circle in latitude $66^{\circ} 16'$ and 970 miles farther north than Edmonton, I saw cabbages, onions, potatoes, &c., growing in the gardens.

By an Honourable Member:

Q. What kind of specimens were they?

Q. I was too early to see.

By Mr. Chisholm:

Q. What time does the first frost visit there?

A. I could not say, but they told me they did not expect any frost until about the first of September.

Mr. Smith (Wentworth):

Q. They claim that they grow crops of potatoes every year?

A. They can produce them as far north as the Arctic Circle.

EXTERMINATION OF FOREST ANIMALS.

By Mr. Herron:

Q. What is the nature of the fur-bearing animals from Athabaska north?

A. Well, the country is so large and there is such an extent of it that what is common in one part will not be common in another. Beaver were very common a few years ago through a large extent of that country. I understand they have become almost exhausted in many districts. I have found in the far north that the marten was the principal fur-bearing animal.

By Mr. Wilson (Russell):

Q. Did you see any musk ox?

A. No, they are confined to the far north on the barren lands more particularly. The wood buffalo are confined to the district around Slave lake and the Peace river. It seems a great pity that they could not be preserved. Their numbers have dwindled to about 150.

By Mr. Burrows:

Q. Are they being killed out?

A. I could not say. I have heard that they were some killed at times, and I have no doubt there are.

DECREASE OF INDIAN POPULATION BY DISEASE.

By Mr. Jackson, (Selkirk):

Q. What about the Indian population there?

A. The Indians are decreasing. At Fort Simpson, which is a prominent post of the Hudson Bay Company, there are not the same number of Indians that there were about thirty years ago.

By Mr. Barr:

Q. What is the number at Fort Simpson?

A. Well, the Indians are migratory in their habits. They move about from place to place and especially during the hunting season. I will be able to furnish that in-

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formation later. I have it here but it will take some time to find it. The records of the Hudson Bay Company at Fort Simpson show the following—the population in 1827, it goes back to that date, was 863 souls. In 1889 it was 234, a decrease of 634.

By Mr. Wilson (Lennox):

Q. Was that reduction caused by dying off or by the movement of the Indians to other parts of the country?

A. Just as I say they are so migratory. I would not place very great reliance on those figures as showing the extent of the decrease, but there is no doubt they are decreasing.

Q. But you ought to have some knowledge from what you heard when you were there whether they are dying off or whether they are moving from place to place?

A. Well, I know, of course, they are dying.

Q. But that great decrease must be accounted for one way or the other?

A. The decrease, judging from appearances, and from what I saw, is that they are decreasing from death. They are in a transition stage. The Indians formerly lived outside, now they are building their little huts and they get in them in winter, they have little box stoves, and they are extravagant in fuel as they are in everything else, they are extravagant in heat; perhaps a dozen of them will get in one of these little huts and they will have it so hot that a white man cannot stay in there, but they remain there breathing the most frightful air, and the result is that consumption is everywhere visible, the Indians everywhere seem very susceptible to that disease. I believe that the records in the Grand river where they are past that transition stage and where they have become accustomed to dwelling in houses, show that they are increasing. But throughout the entire district consumption was prevalent, you could see it everywhere among the Indians in the far north. So much so that in a report I have made I have strongly recommended that the Parliament of Canada should certainly do something to subsidize or to contribute towards the cost of a few physicians to go down into that country and administer to the needs of those Indians.

By Dr. Barr:

Q. Would not carpenters to build them proper houses be better?

A. I could not say as to that. But in every Indian settlement that we visited, when I joined the Indians at Fort MacPherson and went across the mountains with them, we visited several of their camps and in each case we found sick people wanting to know if we had medicine. 'Have you any medicine' was the cry of the sick everywhere. Some of them were the victims of chronic disease that perhaps a simple surgical operation would cure, but they were condemned to live there year after year without any relief. I asked some of the missionaries about it, and one of them who had some medical knowledge told me that he thought appendicitis was just as prevalent there as it was here, and that many of the cases could be cured by an operation, and he wished he had enough knowledge to operate. In that whole country there was not a single physician for a distance of 1,500 miles.

Q. But does not the government furnish physicians and medicine to the Indians?

A. Where the Indians are under treaty there are physicians employed by the government, but these Indians are not under treaty and therefore they have no physicians. In fact, going down the Athabaska river we had a young man take sick. We had no chance of doing anything, there was no physician anywhere and he died in about eight days, a case probably of appendicitis. When I got to Fort Good Hope I expected to see a young man there but found that he was very sick, they could not do anything for him he was so far gone and died the next day. There was no chance of getting medical aid at all for him; no medical aid can be obtained there except such as the missionaries are able to give. I do not know whether the disease of this young man was such that a physician could have done him any good, but he was a young

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man who had gone down there to work for one of those companies. This is a very sad state of affairs.

By Mr. Smith (Wentworth):

Q. What about the value of the forest in this district for timber, lumber?

A. That is an important question to ask. The object of my journey was to ascertain as far as possible whether it was correct or not that the tree growth extended as far north as supposed. I found spruce, poplar and birch growing right up to the delta of the Mackenzie.

Q. How large would they grow?

A. I do not mean to say that there are any large timber limits so far north as that, but from the appearance of the timber lying on the bars of Great Slave lake and along Slave river and perhaps further down beyond where the Liard joins the Mackenzie the size of the timber lying on the shores gave evidence that up these streams, that is up the Peace and up the Liard, there must be very good timber.

Q. What kind of timber?

A. There is cottonwood and spruce, very large cottonwood.

Q. Is there much large spruce?

A. I saw spruce probably three feet at the butt but many are smaller, drifted up on the shore. There was enough timber up along the bars and on the shores there to run a large mill for a considerable time, for several years. Now, I will speak of what I saw along the river itself. There is spruce, principally spruce, that is except the poplar, all the way down to the delta (indicating on map). Right at this point—Point Separation—at the delta of the Mackenzie, I saw timber trees from 16 to 18 inches in diameter. The houses at Fort MacPherson are built with timber.

Q. Log houses?

A. Log houses, and one, viz., the church was built of sawn lumber. Many of you who have travelled in the north country know what a lobstick is. It is generally a spruce tree which has been trimmed of its branches so as to make it a conspicuous object which can be seen at a long distance. These lobsticks are used to commemorate some particular event in that particular district. At Point Separation there are two of these trees which were marked by Sir John Franklin and Sir John Richardson when they separated; the place was called Point Separation for the reason that they separated there, Franklin going around this way to the north (indicating on map), and Richardson going around here, and you will remember the very difficult time he had. These trees must be 16 or 18 inches in diameter, but one of them is dead. The Indians say they made a cache there, and buried a lot of whiskey before separating. I doubt that very much because the Indians say they never found it.

Witness retired and the committee adjourned.

Having read over the foregoing transcript of my evidence, I find it correct.

E. STEWART,
Superintendent of Dominion Forestry.

DAIRYING, FRUIT, EXTENSION OF MARKETS, COLD STORAGE.

COMMITTEE ROOM No. 34,

HOUSE OF COMMONS,

OTTAWA, Wednesday, February 20, 1907.

The Select Standing Committee on Agriculture and Colonization met at 10 o'clock a.m., the chairman, Mr. P. H. McKenzie, presiding.

Mr. J. A. Ruddick, Dairy and Cold Storage Commissioner, attended at the request of the committee and submitted the following information in reference to the branch of the Agricultural Department under his care:

Mr. Chairman and Gentlemen of the Committee,—I am pleased to come before you again to resume the discussion of some of the different lines of work which are carried on by the branch of the Department of Agriculture over which I have charge. I see the notice mentions that I am to speak of dairying, fruit, extension of markets, and cold storage. That is rather a wide range of subjects, and it has been suggested to me that in view of the interest which legislation now before Parliament has attracted to the question of cold storage, I should give that particular phase of our work special attention, and I have therefore prepared myself along that line. I would like, however, first, to briefly refer to one or two other phases of the work before coming to the question of cold storage.

DAIRYING.

Taking up the division of dairying first, I need not point out to the members of the committee that the past season has been a very successful one, from the producers standpoint at any rate. Prices for cheese have been higher during the past twelve months than ever before in the history of the trade. I think we are safe in concluding that we are not likely to see as low prices for cheese, in the near future at any rate, as we have in the past. I believe that as a result of improved quality the value of cheese as an article of food has become better appreciated, and that it will bring higher relative prices, compared with meat and other food products, than heretofore. This does not mean that the prices of all these commodities may not go lower than they are at present; that all depends on general conditions.

QUALITY IMPORTANT.

There is one point in this connection which should not be overlooked, and that is the question of quality, which becomes more important as the prices go higher. The consumer is more critical when he has to pay from 12 to 20 cents per pound for cheese than he is when he pays only one-half that price. A difference of one-half cent a pound on six-cent cheese is equal to one cent a pound on twelve-cent cheese, so that we have to redouble our efforts, as the price of cheese advances, to keep up the quality, which, as I have said, becomes of more importance than ever before. Our cheese trade is undoubtedly showing the beneficial results of the improvement in the methods of handling, beginning at the factory, through the iced cheese car service, and the better facilities on the steamers. These

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improvements mean that a large percentage of our cheese is now being landed on the other side without that objectionable 'heated' flavour which has been a drawback in the past, and the consumption has been encouraged enormously as a result. That is the opinion of leading men in the trade on the other side, and it is one of the factors which has contributed to higher prices during recent years. We are improving the flavour of our cheese by reducing the temperature at which they have been handled.

COOL CURED CHEESE.

The cool curing of cheese is a very important factor in this connection, and in referring to that work I will only say this: that the movement has now got so well started and has made so much headway through the work of the government cool-curing rooms, during the past five years, that no further work on the part of the government seems to be necessary in that direction. I would like, if I may be permitted, to read a letter that came to me from one of the leading importers in this connection. It is dated at Manchester, December 18, 1906, and is as follows:—

'Mr. J. A. RUDDICK,

'Department of Agriculture.

'DEAR SIR,—On going through a line of white and coloured cheese to-day, September made, all Western goods, we wanted a few hundred boxes for a very particular buyer. We got him fixed up, but he was not altogether satisfied with the quality, and kept repeating that they were not up to our usual standard. On going to the coloured lots we picked 400 or 500 boxes without turning down a factory, and our buyer expressed the pleasure that it was to have cheese of this kind offered; every lot was as near perfect as you can get cheese.

'On going into the matter to try and find the difference we at once saw that the coloured had been cured in a government cool-curing room at Brockville, while the white had been cured in the ordinary way.

'If any of your farmers had been in our warehouse to-day they would have had an object lesson in the value and importance of having their cheese all cured in the same way. In our minds it makes a very much bigger difference than people imagine, and if this plan was adopted generally Canadian cheese would hold a very much higher place in the opinion of the trade than it does to-day.'

By Mr. Sproule :

Q. Does that mean that you cannot make a private curing room equal to the government one?

A. No, it only means that it is a question of temperature, and a private room, if kept at the same temperature, would produce the same results. Of course this gentleman referred to the cheese taken from the Brockville cool-curing room because they were so branded.

By Mr. Smith (Wentworth) :

Q. The writer of that letter seems to be comparing two different kinds of cheese, the coloured and the white?

A. That only refers to the fact that he had a large consignment of cheese which came from several different factories, and he found that one lot of cheese was without fault, and the others were not.

By Mr. Sproule :

Q. What about cheese with bottles in them?

A. I want this to go down on the records, that this cheese was made at Gananoque, and was sold by Mr. J. B. Wilson of Gananoque to the Brockville trade. The cheese

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in question was being made about eight miles from Gananoque. There was a girl, a connection of the manufacturer of the cheese, who lived at Pulaski, New York, who was visiting the party who made the cheese for several weeks. You take a girl of that age having very little to do and you can easily understand—she wrote a letter, dating it at her own home, signing her own name, and requesting an answer to come to her at her own home. She put that letter into a bottle and this bottle was put in the centre of a cheese, and that is the whole story in a nutshell. The cheese to which reference has been made was Canadian cheese, but the girl who wrote the letter was a Yankee girl who was visiting at the Canadian home where the cheese was made, and that is the whole story.

By Mr. Blain :

Q. Have you any figures showing what proportion of our export cheese passed through cool-curing rooms ?

A. I have not got exact figures ; of course a comparatively small proportion was put through the government cool-curing rooms, but a large number of the private factories have been equipped with cool-curing facilities ; I am not prepared to say how many. Some are partially improved and others are fully equipped, but in the Central Ontario district there are about fifty factories that have cool-curing rooms upon their own premises.

By Mr. Maclaren :

Q. What percentage of cheese factories in the whole Dominion have them ?

A. I think about one hundred factories have adopted the cool-curing system, but that is not the end of it, for in a few years it will be the exception rather than the rule to find the factories without cool-curing facilities.

Q. I think it will be a good idea to have that letter published.

A. It will be published in the report.

Q. It should go into the press.

A. It has been published already.

Q. It should be sent out to the dealers and manufacturers of cheese and butter ?

A. It has been published pretty generally, but I cannot say how many have read it.

I would like, if the committee will permit me, to say that I take a great deal of personal pride in this matter of cool-curing of cheese. I have never lost an opportunity—I do not think I have scarcely addressed a dairy meeting for the last five years that I have not referred to this question. I have stuck to it until the people have been almost tired hearing it, but I believed that was the only way in which to get this thing going, by continually hammering away at it, and I believe we have the movement so well started now that it will require very little further effort on our part.

PLANS FOR COOL-CURING ROOM.

I have also taken a great deal of pains to devise the cheapest and most effective system for putting the cool-curing system into working order in connection with factories, and the plans which we have published for the purpose are being adopted by factories all over the country where they are carrying out the idea. The 'Ruddick System' for cool-curing rooms is being generally adopted.

By Mr. Sproule :

Q. How many government cool-curing rooms are there in operation ?

A. There will be none in operation this year.

Q. What did they do with the ones they had ?

A. The one at Brockville has been rented, and the one at Woodstock has also been rented for the storage and handling of cheese. The ones at St. Hyacinthe and Cowansville have not yet been disposed of. They are yet under offer, and there have been

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some negotiations. At Cowansville we are negotiating with the Canadian Pacific Railway, and other offers or communications have been received in regard to the one at St. Hyacinthe.

By Mr. Wilson (Lennox):

Q. Are they to rent or for sale?

A. Either to rent or to sell.

Q. But you prefer to sell?

A. Well, we are not particular, there has to be a special Act of Parliament to enable us to sell. We have rented them on better terms than selling: we get \$350 a year for the one at Woodstock and \$300 for the one at Brockville.

Q. What did they cost?

A. The Woodstock room cost more than the Brockville because it was fitted in the first place with a mechanical cold storage; it cost, I think, about \$12,000. Of course, a great deal of that was experimental work, we put in three special chambers for controlling the temperature, and a great deal of the work of construction was experimental. In the first place there was absolutely nothing to guide us, it was a new line of work entirely, and they were made somewhat more expensive than we now find is necessary. That is one of the things we have learnt in practice from the experiment.

Q. What is the cost of the cool-curing rooms that you recommend?

A. Cheese factories can fit up their cool-curing rooms for from \$600 to \$800. They do not require to insulate very much, except the ice chambers, and in most cases they can put the ice-room inside the present curing-room. The Brockville cool-curing-room cost, I think, about \$8,000, but I would not like to say definitely off-hand.

THE BUTTER TRADE.

Our butter trade has not shown any very marked feature during the past season; there has been a good demand, and no serious difficulties have been pointed out, and there have been no serious objections to the quality. The quantity shipped has been somewhat less than in 1905 because of more milk being diverted to the cheese factories on account of the higher relative price for cheese.

By Mr. Sproule:

Q. Have you the quantity of cheese exported last year and the year before?

A. Yes, the figures are as follows: For the fiscal year ending June 30, 1905, 215,733,259 lb. For the same period ending June 30, 1906, 215,834,543 lb. There was very little difference in the actual quantity of cheese shipped as between the two years. Of course, last year the value is greater by over \$4,000,000 on account of the higher price.

By Mr. Wright (Renfrew):

Q. I would just like to say this, that it was not altogether in consequence of the milk being absorbed in the cheese factories that the butter market was affected last year, but the demand for home consumption has been greater than I ever knew it in my life before.

A. There is no doubt about that, that is a factor we are apt to overlook—the home consumption is increasing enormously, not only on account of the growth of population, but the consuming power of the people of Canada is very much greater than it was a few years ago. That has an important influence upon our trade, much more so than we often realize. It may be of interest to the committee for me to state that the home consumption of dairy produce in Canada is of greater value than what we export. The only figures I can give on this point are those of the census year 1900. In that year the total value of the milk for direct consumption and that manufactured into butter and cheese was \$66,000,000, and the total value of our export of butter and cheese that year was only \$29,000,000, so that you will see that back in 1900 the home consumption was very much larger.

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tor and I would like to say in that connection, it is a market that the dairymen sometimes neglect ; we have not catered to the home market as much as we should. I believe that the consumption of cheese in Canada can be increased to four or five times as much as it is now.

By Mr. Maclaren :

Q. How do you think the production was last year ? Has it not been decreasing on account of the expense of labour ?

A. Not on the whole ; it has in some parts of Canada ; but in the province of Quebec there is a big increase. There is also a big increase in the production of dairy products in the western provinces.

COW TESTING ASSOCIATIONS.

I would like also to refer to another line of work which we are making, or expect to make, a special feature of our dairy work during the next few years, and that is this matter of improving the dairy herds. We call it 'cow testing work,' and at present it takes the form of encouraging the organization of cow testing associations throughout Canada. During the past season we have had sixteen of these associations in operation, each consisting of twenty or more members, who agreed to take samples, to weigh systematically the milk of each cow for three days during each month, and to take samples for testing, which were tested regularly and the results published broadcast. Those of you who have read the agricultural press during the last six or eight months have seen the reports of the cow testing associations in the different publications. The sixteen associations referred to included 355 members, and tests were made of 4,522 cows. The annual or summary report of these tests is now being prepared and the results will be given in the report of the Dairy Commissioner's Branch.

Q. What are the names of the associations, and where are they located ?

A. There were three in Ontario, one near Ingersoll, one at Princeton and one at Brockville, and the others were in the province of Quebec, where they have taken up this work more rapidly than in the province of Ontario. I expect that within the next month or six weeks we shall have thirty of these associations organized, and I desire, just in a word, to point out what this means to the milk producers of Canada. I believe it is quite within the range of possibility to increase the yearly production of milk by at least 2,000 lb. per cow in this country. That will mean \$30,000,000, because there are over two million cows in Canada. This is a line of work which is well worth following up. It has been very successful in other parts of the world and there is no reason why it should not be so here. We may not be able to show as big a difference as they have in Denmark, where they have a somewhat different system of handling the cows, but I think we can show a big increase if the matter is taken up generally by the farmers throughout the country. That is all I intended to say regarding the dairy work.

FRUIT.

Another important division of the work of my branch relates to fruit, but, as your chairman has intimated, it is quite likely you will ask my very able assistant, Mr. McNeill, who is the Chief of the Fruit Division, to come before you and discuss some aspects of the fruit industry in more detail. There are two principal lines of work in which the Fruit Division is engaged at the present time, to which I will make reference. The administration of the Fruit Marks Act takes up a good deal of time and is an important part of the work. During the summer season we compile and publish a monthly fruit crop report. We have about 4,000 correspondents in different parts of Canada, and they send in reports of conditions and prospects for the crop during the month, which information is at once compiled, and by special arrangements with the King's Printer, it is printed in about three days, and is distributed all over the country. The

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fruit growers have spoken very highly of the value of these reports, and we propose to continue that work during the next season. There is, of course, a large amount of correspondence in connection with the fruit industry.

RE-MARKING APPLES AT PORTLAND.

By Mr. Wright (Renfrew):

Q. You have the Fruit Marks Act under your jurisdiction?

A. Yes.

Q. What about this matter that we hear so much about, of somebody changing the marks on the packages at Portland? Has that been brought to your notice?

A. Yes, it has. There has been no detail of it, so far as I know, given to the public up to the present time, and the committee might, perhaps, like to know just how that matter stands. Our fruit inspectors have been busy along Lake Ontario points during the shipping season and they got information in some way that certain shippers, who were sending their apples via Portland, would have representatives at Portland for the purpose of changing the grade marks on the barrels, at that place. As soon as I heard of this thing, I sent Mr. Moore, one of my assistants, to Portland to look into the matter, and this is what he found: He found that apples marked in this way,

Canadian Apples

Put up

by

No. 2

JAMES COYLE

Colborne, Ont.

(Variety)

were being re-marked by a representative of Mr. Coyle, at Portland, by the addition of the mark:

No. 1

XXX

at the bottom. In the first place I should explain that these apples were shipped on local bills to Portland, marked 'for export,' so that they did not have to pay duty, and that left them in the charge of the railway company. Mr. Coyle, or his representative, went there and approached the railway people, asking permission to put some further marks on the barrels; they also got the permission of the customs authorities to do the same thing. The officials say that they did not know anything about the Fruit Marks Act, and supposed it was shipping marks that he wanted to put on. Moreover, the customs take cognizance only of the number of barrels, and care nothing about marks.

Q. It is the American customs authorities you are speaking of?

A. The American customs officials. Mr. Moore stood beside Coyle's representative when he put those marks on the barrels.

By Mr. Smith (Wentworth):

Q. Did the man erase the mark 'No. 2'?

A. No, he did not. This (producing document) is an exact representation of the marks placed on the barrel.

Q. Were any of these apples marked 'No. 3'?

A. Yes, in that case No. 2 XX was added below. It looked like a clear intention to mislead. Mr. Moore telephoned me from Portland as soon as he got this information, and I took the matter up with the traffic officers of the Grand Trunk Railway, who at once issued orders that no further re-marking of apples could be allowed.

Q. Did you punish them at all?

A. No. Portland is outside jurisdiction of the Dominion Fruit Marks Act, but

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we think the original form of marking was in this case a violation of the Act, and we intend to test that, when there is an opportunity.

*By Mr. Maclaren:*¹

Q. How do you find that apples, when well packed, reach the other side, do they arrive in good condition?

A. Yes.

Q. I shipped some apples, specially packed, to Vienna and they went all right.

A. We have had apples specially packed sent half way around the world, and they arrived in good condition.

By Mr. Walsh:

Q. Why do you say that there was a substitution of 'No. 1 XXX' for 'No. 2,' when the mark 'No. 2' was not erased?

A. It was the way they were marked; there was an evident intention to deceive.

Q. Do the provisions of the Act prevent that? Does the Act specially forbid that?

A. The Act says that the package must be branded 'No. 1,' 'No. 2,' or 'No. 3,' according to the grade.

By Mr. Blain:

Q. Did your inspector notice that particular form of branding?

A. Yes, they had drawn attention to it.

By Mr. Smith (Wentworth):

Q. Have you inspectors in sufficient numbers in the apple districts to inspect all the apples that are shipped?

A. There is quite a large proportion now being inspected at the country warehouses; in fact all warehouses are under inspection.

By Mr. Wright (Muskoka):

Q. Does the Act specify the form in which the barrel must be branded?

A. The Act does not define any special form at all; I have not a copy of the Act with me, but it simply states that the apples must be branded in accordance with the grade as specified in the Act.

Q. You might provide a form?

A. I think that might be done by regulation.

Q. You have not done so?

A. It has not been necessary. That is the first time we have found anything of this kind.

By the Chairman:

Q. Has your attention been called to the fact that many of the apples exported via Portland this year have been frozen on the way to that port?

A. Yes, it has been represented to me that quite a number of cars have arrived at Portland more or less frosted.

Q. Could we do anything to assist the trade in that matter?

A. Well, I do not know that we could do very much, except that we might urge upon the railway companies to provide better facilities. I am somewhat doubtful if we shall ever avoid a difficulty of that kind until the railways are made responsible for the loss.

By Mr. Maclaren:

Q. What kind of cars were the apples that were frozen shipped in?

A. Refrigerator cars.

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By Mr. Schell (Oxford):

Q. Most of the refrigerator cars have chambers for putting stoves in?

A. Yes.

Q. And they are giving special attention to looking after the stoves at the different divisional points. The Grand Trunk cars have not these chambers, and unless these chambers are put in there, with a view to putting stoves in, it is very difficult to get anything done in the way of heating the cars. I think that the government might very well take up that question, and with a reasonable amount of cars there is no reason, to my mind, why these cars should not be so equipped that apples might be sent through in absolute safety.

A. Have you experienced any difficulty with overheating where stoves are provided?

Q. No, I have not experienced that.

A. That has been a subject of complaint in many cases, that the apples have been overheated, and that is as bad as being frozen.

By Mr. Smith (Wentworth):

Q. The one is as bad as the other.

A. I think a good deal of this injury to fruit in transit, both from frost and from overheating, is the result of a lack of attention.

By Mr. Findlay:

Q. What is the proper temperature for the best preservation of apples?

A. From 30 to 34 degrees. Of course you cannot regulate the temperature so closely as to keep it as low as 30 degrees all the time. That is the minimum.

By the Chairman:

Q. I think the government should do something. I have representations from fruit dealers in my section of the country, stating that they have lost seriously this year, and if the government can devise some way of inspecting these cars in transit it would be a good thing. I do not see any other way of regulating the temperature. This practice of leaving the matter to chance is never going to work successfully.

By Mr. Wright (Renfrew):

Q. Why could not these cars be heated with steam, just the same as the passenger cars?

A. I think that is a matter that would involve great difficulties on account of cars being cut off and the train broken up so frequently.

By Mr. Smith (Wentworth):

Q. I suppose this is a matter, in reality, for the Railway Commission?

A. I think so.

Q. Before you leave that subject of inspection under the Fruit Marks Act, I suppose that all fruit is subject to inspection. We have a very serious complaint in the tender fruit section that we have no inspectors there. An inspector at the point of shipment is of very much more value than one at the point of destination. In fact you cannot have an inspector at all points of destination, at all the different towns, but one or two inspectors at the shipping points would be of very great value.

A. I will make a note of that and see what can be done.

EXTENSION OF MARKETS.

Another line of work which bears on the same question, which we call 'the Extension of Markets Division,' has to do with the inspection of perishable cargoes, both at Montreal, as loaded on the steamers, and as discharged from them at ports in Great Britain. We have five men employed in Great Britain and six men at Montreal, mak-

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ing reports of every steamer that sails from or arrives at the ports, and during the winter months the men are transferred from Montreal to St. John and Halifax.

By Mr. Wilson (Lennox):

Q. Have you an inspector at Portland?

A. No.

Q. Would it not be a good thing to have one there?

A. We have never thought it necessary.

Q. That is where those changes were made, was it not?

A. Yes, but that is a matter of the Fruit Marks Act—another class of inspection altogether.

Q. Would not your inspector have stopped it, had there been one at Portland?

A. Well, it has been stopped; it was stopped right at the beginning; there were only two carloads that were changed.

This (producing file) constitutes the report from one ship for one sailing. I have brought this matter before the committee to show you the kind of information we get, both from Great Britain and Montreal, in regard to the condition of each cargo.

By Mr. Maclaren:

Q. Where does that cargo come from, and what ship?

A. This is the report of the cargo of the steamship *Devona*, of the Thomson Line, that sailed from Montreal on October 13, which arrived in London on October 26. It gives full information as to the character of the cargo, the temperature in the cold storage chambers (10 degrees), and other information of that kind.

Q. Do you find people paying the same attention to perishable goods arriving at London and other points, or do they pay more attention to them than they used to?

A. We find that they are paying more attention.

Q. What has brought about the change in the condition of goods when they arrive there?

A. I think the representations made by officers of the department and others have had some effect, and I think that the great improvement in the facilities at the Surrey Commercial docks at London has had the effect of toning up the service at other points. It will be news to the committee, because it is news to everyone in the country that there is to be a very decided improvement at Liverpool during the coming season.

By Mr. Sproule:

Q. There are better facilities at Manchester than at Liverpool, are there not?

A. Yes, but the trouble is that there is rather poor steamship service to Manchester. There are only three steamers in the Manchester service having cold storage, and their capacity is small.

By Mr. Maclaren:

Q. There have been great improvements in the facilities at Avonmouth?

A. Yes, and there have always been large shipments to Avonmouth, which is the port of Bristol.

Q. They have been making very great improvements there?

A. Yes, they are constructing a new dock which, it is said, is to be one of the finest docks in Great Britain.

Q. And great efforts are being made to divert shipments to that port, I believe?

A. Yes.

IMPROVED FACILITIES AT LIVERPOOL.

I want to refer to the facilities at Liverpool. I have in my hand an extract from a letter from the Allan Line in which they tell me that they have completed arrangements with certain cold storage warehouses there so that they can issue bills of lading, with

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certain provisions attached, which will include all charges for dock and town dues, master portorage, cartage to the cold store, receipt, storage for one week and delivery thence to consignee's order within a two-mile radius. The rates are given for the service, which is practically the same as in London, except that it involves the question of cartage which is objectionable.

I have also a copy of the *Liverpool Courier* of February 8, in which they refer to a meeting of the Dock Board, and an agreement which has been reached between the C.P.R. Atlantic Steamship Line and the Dock Board, allowing the steamship line a certain berth and giving the company the privileges of erecting their own cold storage in the dock shed. I communicated with Mr. G. M. Bosworth yesterday about the matter, and he said they were hardly decided on the question yet, but he cabled over, after getting my letter, to their representative in Liverpool, who replied that he was making a canvass of the trade in Liverpool in order to ascertain whether they would be justified in putting in the cold storage. I think when they complete their canvass they will put it in.

By Mr. Lewis:

Q. To whom do the existing plants belong?

A. There are none on the quays at Liverpool now, but there are several private warehouses in different parts of the city.

Q. Are there cold storage plants at other ports in Great Britain?

A. There are many cold storage warehouses in Great Britain, but not at the dock as a rule. There are two cold storage warehouses at the Surrey Commercial docks, London.

Q. By whom are they owned?

A. They are owned by the Dock Company. The dock is owned by a private company. There is that difference between Liverpool and London. The docks at London belong to private corporations, but in Liverpool everything connected with the Mersey is controlled by the Mersey Docks and Harbour Board.

By Mr. Schell (Oxford):

Q. Have you the rates that the Allans offer for the delivery of these goods and keeping them in cold storage?

A. The rates are: For cheese, mild cured bacon and fruit—keeping in cool air during the warm weather at a temperature of about 50 to 55 degrees, the charge is 8s. 6d. per ton of 2,240 lb. That includes dock and town dues, master portorage, cartage to the cold store, receipt, storage for one week and delivery thence to consignee's order within a two-mile radius of the Canada Dock Cold Store (which includes the principal Goods Railway Stations), or to Victoria St. or the Liverpool Abattoir (where chilled beef is sold).

Q. That is a very moderate rate.

A. Bacon and sides of beef (chilled); kept at a temperature of about forty degrees, 10s. 7d. Butter, frozen poultry, meats and fish; kept at a temperature of about fifteen degrees, 15s.

By Mr. Lewis:

Q. How do the facilities at Liverpool compare with those at London?

A. Oh, there is no comparison, you might say.

Q. Which is preferable?

A. At the Surrey Commercial Dock, London, the facilities are ahead of anything anywhere else in the old country at the present time.

By Mr. Maclaren:

Q. But that is only one dock in London?

A. Nearly all the produce now goes to that one dock.

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By Mr. Lennox:

Q. What about Manchester?

A. There are very good facilities at Manchester, but the cold storage service on the steamships sailing from Montreal to Manchester is not regular enough, nor is there sufficient refrigerated space.

By Mr. Maclaren:

Q. It will pay the shippers of Canada to pay that extra charge rather than have the loss of one cent a pound on cheese and butter that we have sometimes had to face.

A. I think it will.

By Mr. Smith (Wentworth):

Q. In that letter of the Allans they speak of keeping fruit at a temperature of between 50 and 55 degrees, that classes apples along with cheese, but that would not be suitable for tender fruits.

A. There seems to be no provision for that.

Q. They provide a freezing temperature for poultry?

A. Yes, but that is too low for fruit.

Q. They might also provide a suitable temperature for tender fruits, I think. Before you leave that subject, you have a report of every steamship, covering every cold storage shipment that goes over, from the different agents on this side as well as on the other side; what do you do about that when you get the report back here?

A. If there is anything unusual about it, we call the attention of shippers to any question of fact.

Q. Supposing the temperatures are not what they ought to be?

A. All the records of temperature are posted at the Board of Trade, Montreal, and we have offered at all times to send a copy to any shipper who is interested in any shipment on any particular vessel.

By Mr. Maclaren:

Q. Have you any records showing the temperature of the apples on reaching the steamship, and on leaving the ship?

A. We have some information on that point, but if you will allow me to proceed I will come to that in a minute.

By Mr. Smith (Wentworth):

Q. Speaking further on that point, when you get a bad report of a cold storage temperature, what do you do with the steamship company?

A. We call their attention to it.

Q. That is all you can do?

A. The fact that it is published, is, of course, a penalty, because now the shippers are watching these reports.

Q. You could make a regulation that the steamship should carry these different products at certain temperatures to suit the different articles?

A. I think that would be a rather difficult thing to decide. I do not see very well how a regulation could be made to fix a certain temperature to be maintained in each case. Very often it happens that there is not a sufficient quantity of a certain commodity awaiting shipment, and two different commodities have to be put together in the same chamber, the shippers of both commodities agreeing, rather than miss the steamer, to mix the commodities.

Q. It will depend on what the commodities are; you could not put fruit with butter?

A. It has been done, and shippers prefer to ship that way rather than wait.

Q. Are they consulted about that, do you think?

A. Yes, I think the steamship company would never put fruit in with butter without the shippers knowing all about it.

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INSPECTION OF ICED CAR SERVICES.

Now, there is just a word or two that might be said in regard to the inspection of this iced car service. These inspectors co-operate with the fruit inspectors in work of that kind a good deal. We had last year, for the first time, an inspector over the routes on which the iced butter car ran in Western Ontario, and we found it made a considerable difference in the service, we got rather better satisfaction from that service than ever before. The cars were better iced. The great complaint of the present time with regard to the butter service is irregularity in the running of the car. We cannot control that, we cannot regulate the railway; we can only point out when the cars are delayed; but it is a great drawback to the butter shipper who brings his butter to the station at schedule time and finds that he has to leave it there for hours, waiting for the train to come along and pick it up. That is a very great drawback, and it is to be hoped that the railway companies will be able to improve that.

By Mr. Maclaren:

Q. The trouble is that sometimes when the train does come it hasn't any iced car at all.

A. There is always a car on the routes that are arranged for. We have a regular schedule of routes on which cars run weekly, or in some few cases fortnightly, over the line. I would like, before I leave this division of my work, to refer to the work of Mr. Moore, my assistant, who has special charge of the details of the inspection. In that connection his work has been very helpful indeed, and those of you who know anything of him know that he has done most excellent service in that respect.

COLD STORAGE.

Now I come to the question of cold storage, and I want to refer briefly to the different channels through which the department assists in procuring cold storage for perishable produce, but I intend to confine the most of my remarks to the newer phases of cold storage.

By Mr. Wright (Renfrew):

Q. Will you be able to tell us what the government is doing in New Zealand?

A. The government of New Zealand does nothing in the way of providing cold storage, and never did, although there appears to be a misconception in the minds of many on that point.

By Mr. Schell (Oxford):

Q. The New Zealand service has been frequently referred to in comparison with ours, as if they were doing more than we are?

A. They never did anything to provide for cold storage, except in this way: in connection with the grading of butter and cheese they had to provide warehouses in which to store these goods after they are graded. The government assumes full control after they are once graded, and they had, therefore, to have cold storage warehouses for that purpose. But the government did not provide the cold storage, they simply paid towards the charge for the storage. It was not of any particular advantage to the creameries, because they have their own mechanical refrigeration, but the government, taking control of the goods, were obliged to provide the cold storage.

By Mr. Smith (Wentworth):

Q. These are usually located at the shipping points?

A. Not always, some of the grading stations are not at shipping points.

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By Mr. Schell (Oxford):

Q. But the New Zealand government has never taken control of the transportation by steamship in cold storage?

A. The government has never had anything to do with it. I will refer to the New Zealand service later on when we come to discuss another phase of the subject.

CREAMERY COLD STORAGE BONUS.

It is proposed to continue the payment of the \$100 bonus for the erection of a suitable cold storage at creameries. This work, which costs a few thousand dollars a year, amounting to about \$2,500 last year, has had the effect of improving very much the character of the cold storage at creameries throughout the country. It is a difficult thing to convince the average creamery owner of the importance of keeping butter at an average low temperature, and we have in this way directed attention to the improvement, then there is the iced butter car service which was in operation last year from May 27 to October 1.

By Mr. Smith (Wentworth):

Q. Are there many creameries that have not cold storage?

A. Not very many but have some kind of cold storage.

By Mr. Schell (Oxford):

Q. The government is giving a grant of \$100 a year, is that it?

A. To creameries that put up cold storage on our plans and specifications the government gives a bonus of \$100.

Q. For how long?

A. For one year for each creamery.

By Mr. Maclaren:

Q. There were a number of creameries that built cold storage chambers last year and got the money, were there not?

A. There were 25. Taking it from the beginning, a total of 619 creameries have received the first instalment, but some of them did not receive the second or third instalments because they did not live up to the terms under which the grants were made.

Q. What do you mean by instalments?

A. Up to last year it was paid in three instalments; \$50 the first year, and \$25 in each of the next two years, providing the proprietor maintained the cold storage according to the conditions of the grant. Some of them did not, and they did not receive the second and third instalment.

Q. And now you pay the \$100 right out?

A. Yes, we made our plans and specifications a little harder to live up to, and we encourage them by giving them the \$100 at the end of the first season, thinking that method would go a little farther in the way of making it effective.

By Mr. Maclaren:

Q. Do you send an inspector out to see that they are properly erected?

A. We do.

ICED BUTTER CAR SERVICES.

The iced butter cars ran over 57 different routes to Montreal last season. The government guarantees two-thirds of the earnings on a minimum car, plus \$4 per car for icing.

ICED CHEESE CARS.

Then iced cheese cars were provided, that is to say, the government arranged with the railway companies to pay \$5 per car for icing of cheese cars to be supplied on the demand of the shippers for shipments of cheese in car lots from July 1 to September 9, allotting a certain number to each railway (altogether 110 cars per week). I find from the records received that 1,161 of these cars were supplied.

ICED FRUIT CARS.

Then there was another service, the iced fruit cars; that was a new service last year which was provided on the same terms as the cars for the shipment of cheese from August 1 to September 30.

Q. What territory would that cover?

A. Anywhere for shipment of fruit to Montreal and Quebec.

Br. Mr. Ross (Yale-Cariboo):

Q. From British Columbia?

A. If they wanted them, but the government only agreed to pay \$5 per car for the icing. About 180 cars were supplied for this service.

By Mr. Schell (Oxford):

Q. Ten dollars would ice a car fairly well from British Columbia to Montreal?

A. It would depend largely on how long they took to come.

COLD STORAGE ON STEAMSHIPS.

Just a word or two about cold storage on steamships. I have here a revised list of the cold storage steamers sailing from Montreal, with the capacity in cubic feet of the cold storage accommodation on each ship, which I would like to give for the information of shippers.

The following is a complete list of the steamships sailing from Montreal and Quebec in 1906 having cold storage—

Allan Line.

Name of Steamer.	Number of Chambers.	Capacity in Cubic Feet.
To Liverpool— •		
Tunisian.. . . .	4	21,650
Victorian.. . . .	4	14,080
Virginian.. . . .	4	12,440
Ionian.. . . .	4	13,653
*Parisian.. . . .	1	4,288
To London—		
Hibernian.. . . .	4	8,166
Hungarian.. . . .	4	7,994
Ontarian.. . . .	4	16,843
Pomeranian.. . . .	2	8,130
Sardinian.. . . .	2	10,228
Sarmatian.. . . .	2	10,032
To Glasgow—		
Corinthian.. . . .	2	16,722
Sicilian.. . . .	3	17,980
Pretorian.. . . .	3	25,270
Mongolian.. . . .	2	8,101
Numidian.. . . .	2	8,101

*This steamer took only one cargo out this season.

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Canadian Pacific Line.

Name of Steamer.	Number of Chambers.	Capacity in Cubic feet.
To Liverpool—		
Lake Erie..	4	24,000
Empress of Britain (from Quebec).. . . .	3	29,700
Empress of Ireland (from Quebec).. . . .	3	29,700
To London—		
Montrose..	4	28,154
To Bristol—		
Montcalm..	1	15,340
Monmouth..	2	17,000
Montfort..	3	24,700

Dominion Line.

To Liverpool—		
Dominion..	4	40,985
Canada..	4	47,915
Kensington..	1	26,567
Southwark..	1	26,029
Ottawa..	2	27,410
To Bristol—		
Manxman..	3	51,033
Turcoman..	4	33,029
Englishman..	4	32,262

Donaldson Line.

To Glasgow—		
Marina..	4	11,719
Parthenia..	4	16,000
Athenia..	4	16,122
Lakonia..	4	14,526
Kastalia..	4	13,498
Cassandra..	3	7,770

Manchester Line.

To Manchester—		
Manchester Commerce..	2	10,000
Manchester Trader..	2	5,000

Thomson Line.

To London—		
Cervona..	4	14,321
Devona..	3	21,953
Hurona..	4	20,487
Iona..	4	18,472
Kildona..	3	14,570
Latona..	3	45,682

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Combined cold storage space of above-mentioned steamships sailing to the various ports in 1906:—

	No. of Sailings.	Cubic Feet.
Bristol.. . . .	31	899,849
Glasgow.. . . .	61	872,025
London.. . . .	63	1,116,683
Liverpool.. . . .	75	1,921,537
Manchester.. . . .	10	75,000
Totals.. . . .	240	4,885,094

COOLED AIR SERVICE, 1906.

The following steamships with cooled air service sailed from the port of Montreal during the season of 1906:—

	Cubic Feet Space.
Allan Line—	
Pomeranian.. . . .	26,000
Hungarian.. . . .	45,000
Hibernian.. . . .	45,000
Ontarian.. . . .	19,000
Sardinian.. . . .	17,600
Canadian Pacific Line—	
Montcalm.. . . .	18,688
Monmouth.. . . .	18,500
Dominion Line—	
Southwark.. . . .	41,472
Canada.. . . .	46,904
Kensington.. . . .	42,116
Thomson Line—	
Iona.. . . .	80,178
Cervona.. . . .	97,530
Kildona.. . . .	79,389
Hurona.. . . .	79,707
Devona.. . . .	97,574
Latona.. . . .	50,086

There were 82 sailings of these steamers, making the total available space for the season, 4,119,304 cubic feet distributed as follows:—

	Cubic Feet.
To Bristol.. . . .	185,940
To Liverpool.. . . .	782,952
To London.. . . .	3,150,412
Total.. . . .	4,119,304

SERVICE REPORTED SATISFACTORY.

I made inquiries some time ago of the president of the Montreal Produce Merchants Association as to the character of the service on the steamships during the past season, and in his letter of reply he says: 'Taking the whole system through, the refrigeration now is very satisfactory and a great improvement on previous years.'

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THERMOGRAPHS.

You have all heard about the thermographs that are used on the steamers, and I would only say that last year we got twice as many records as we ever did in any previous year. Altogether we received 488 records, and reports have been made to shippers whenever required. Tests are also made of the actual temperature of butter and cheese as delivered on the other side, which is really the best test of the temperature at which the goods are carried. I find that the ocean refrigeration seems to be the most effective of any in the whole chain, because we find that the temperature, the average temperature, at which butter is carried in these ocean refrigerators, is reduced as much as 21 degrees from the time it is put in the chamber until it reaches the other side.

By Mr. Smith (Wentworth):

Q. You speak about the ocean refrigeration being the best in the chain, there is no other refrigeration in sight?

A. I am referring to the iced cars.

Q. You can't call them cold storage?

A. We do not call it cold storage, of course, but it is a refrigerated service, the same as cold storage at the creameries. There is cold storage at Montreal, but it is not used as effectively as it should be or the butter would not be reduced in temperature so much on board ship.

By Mr. Maclaren:

Q. But if the butter is twice chilled and twice heated, in what condition will it be when it reaches the consumer?

A. It will depend upon the variations in the temperature.

By Mr. Smith (Wentworth):

Q. You will notice by the reports that the temperature of some of the butter was five degrees lower when taken out on the other side, and inspected by your inspector there, than the temperature of the chambers at any time during the journey?

A. I think that is explainable in this way. That that particular package of butter had either rested against the circulation opening or near the cold pipes. You know there is always a difference in the temperature at different parts of the chamber.

By Mr. Schell (Oxford):

Q. If the butter is placed exactly opposite the opening, or draft, there will be a difference of five or ten degrees.

By Mr. Maclaren:

Q. I do not think you will find a difference of more than one degree.

A. There must be a difference between the temperature in the different parts of the chamber, that is the reason why we require a constant circulation.

By Mr. Smith (Wentworth):

Q. Yes, but butter that has been eight or ten days on the ship and brought down ten or fifteen degrees, would not have sufficient heat in it to raise the temperature four or five degrees in one part of the chamber higher than in another. What would make heat in one part of the chamber more than in another?

A. It is not a question of making heat, but that one particular part of the chamber is colder than another.

Q. But all parts of the chamber should be at the same temperature?

A. That is not always the case, that is one of the difficulties, there is no provision for rapid circulation with the brine system. Where the chambers are very full there is no forced circulation, it is only by gravitation.

I now come to that part of our cold storage talk which may have some special interest, owing to legislation which is now before Parliament. I find that there is a great demand for information about cold storage and especially about mechanical refrigeration at the present time; I am getting a great deal of correspondence, and I know that a great many people come to me for information on this line.

ARTIFICIAL REFRIGERATION.

I want to say something about artificial refrigeration. I believe it will be worth while to give a little attention to that phase of the subject. The different systems of artificial refrigeration may be divided into three classes; in the first place there is the purely chemical refrigeration with frigorific mixtures, which includes all mixtures like ice and salt and various other chemicals. There is a long list of chemicals which may be used, but ice and salt is the only practical one on account of the comparatively low cost of the salt. Now, I do not, by any means, speak of this kind of refrigeration as obsolete, there are many uses yet for small storages with ice and salt as a refrigerant, or even ice alone where no extreme low temperatures are required, and where the place to be refrigerated is small. I believe there is good use yet for that kind of refrigeration.

By Mr. Sproule:

Q. Would it not be useful for the ocean service?

A. I do not think it would be practicable for ocean refrigeration, because the carrying of a large quantity of ice across the ocean would be objectionable on account of the amount of storage that is required for it; mechanical refrigeration for that service is a long way ahead of the ice. I am thinking more of the country grocer, who handles a large quantity of dairy butter, butchers and others requiring small refrigerator spaces. We know of the great waste that takes place and that this waste would be, in some measure, prevented if a small chamber were provided in which a few hundred packages of butter could be stored. Butter can be kept in that kind of storage for a week or so. It depends a great deal on how cheaply you can get ice, and how cheaply you can get salt; of course there are some places where salt costs a great deal because of the distance from the source of supply.

By Mr. Smith (Wentworth):

Q. I might say that I have a number of cold storage rooms, about the size of this room, and they are served with ice and salt; I can put the temperature down to 30 degrees, just where I want it, and can hold it exactly for weeks and months at 33, or wherever I want it, without varying more than one degree in any part of the room.

A. You do not have much circulation.

Q. I have an excellent circulation, by gravity; I use the ice and salt. It is the bunker system.

A. You can produce a temperature five degrees below zero in a mixture of ice and salt, about two parts of ice to one of salt. That is the minimum in the mixture itself. It is possible to keep a room below freezing with this mixture.

THE ABSORPTION SYSTEM.

There is another system of artificial refrigeration which is known as the absorption system, and it is a sort of semi-chemical system with retorts and cylinders which are charged with an aqueous solution of ammonia, the vapours of which are driven off by the application of steam heat, and refrigeration is brought about by the cooling, condensing and expansion of the ammonia. Some engineers still struggle with that system and think it is the most rational system of all, but so far it is not used much.

COMPRESSION SYSTEM.

The third is the compression system, and it is the true mechanical system and the most popular in all respects. Now, I would like to explain as briefly as I can, how

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refrigeration is brought about on the compression system. The machine for producing mechanical refrigeration on the compression system consists of three parts: 1, a compression side; 2, a condensing side; 3, an expansion side.

I cannot explain the compressor any better than by saying that it is like the steam engine reversed. The steam engine is a machine for converting heat into work, and the compressor is a machine for converting work into heat. In this machine a volatile gas is used which under compression gives off a certain amount of heat. That is the first part of the machine, and from it the gas passes to the condenser part which is a series of coils over which cold water is constantly flowing, the cooling in addition to the compression effecting the liquification of the gas. The liquified gas is now allowed to pass from the condenser into the expansion coil, where the pressure is lower and where it expands again to the gaseous form and must take up heat in doing so. It takes up exactly the amount of heat which was carried off by the water passing over the coils of the condenser. The simple compression and expansion of a gas will not produce refrigeration. A good many different gases have been used as refrigerants. Some of the earliest cold storage machines used ordinary air as a refrigerating medium, and it is yet used on shipboard a good deal on account of its safety. It is not considered economical because a large volume of air has to be used, necessitating large movable parts, and therefore, excessive friction in the operation of the machine. There are two ways of using air, the closed cycle and the open cycle of operation. In the open cycle the air is pumped from outside and allowed to discharge into the room where the refrigeration takes place; as the name implies in the closed cycle, the same air is used over and over again. One objection to air is that it is a permanent gas at refrigerating pressures and temperatures and, therefore, its latent heat is not available.

Ether was one of the first gases used for this purpose; sulphur dioxide is still used; carbon dioxide is used quite extensively, especially for marine work, for the reason that it does not attack copper or any of its alloys, and therefore, brass journals can be used in the parts of machinery exposed to it.

By Mr. Schell (Oxford):

Q. How much water would it require at a temperature of about fifty degrees?

A. With water at fifty degrees you would probably get along with three-quarters of a gallon per ton of refrigeration per minute; the usual rule is one gallon per minute.

AMMONIA MACHINES.

Anhydrous ammonia; that is ammonia free from water, is the gas most commonly used for land refrigeration, and it is also now used for marine refrigeration to some extent, because the machinery has been more perfected recently. There have been some serious accidents on board ships with the ammonia machines. Some part of the machine burst on a New Zealand mutton boat some years ago and the ammonia fumes filled the engine-room so quickly that the engineers were driven out, and it took a long time before they could get rid of the fumes and return to the engine-room. There was a very serious accident in one of the Armour plants at Chicago the other day; an explosion took place and some men were killed by the ammonia. But they have improved these machines, and by locating them on the upper decks there is less danger from accidents. The ammonia machine has this advantage that low pressures are used as compared with some of the other gases. On the compression side of an ammonia machine a pressure of about 175 lb. to the square inch is all that is necessary, but with a carbon dioxide machine it runs up as high as 900 lb. to the square inch, where the temperature of the water is a little high.

USING THE REFRIGERATION.

There are different ways of applying the refrigeration to the warehouse. In the first place there is what is known as the direct expansion. The expansion parts of the

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machine consists of pipe coils, like steam coils, usually placed along the walls of the room to be chilled.

Another plan is to place the expansion coils in a tank filled with brine and the tank is placed in the room where it is required; that is useful where intermediate refrigeration is desirable, as there is a certain amount of reserve in the brine, which keeps the room cold for a time after the machine ceases work.

In the brine circulation system the expansion coils are located in large brine tanks, and the brine is forced through coils of pipe into the room where the refrigeration is needed.

By Mr. Wright (Renfrew):

Q. Are these pipes the ordinary iron pipes?

A. Yes.

Q. What sizes are used?

A. Different sizes, according to the capacity of the machine. The galvanized-iron pipe is not used to contain ammonia, because the ammonia attacks the zinc, and forms a permanent gas, which would cause serious trouble.

THE AIR COOLER SYSTEM.

Then the system which is most generally used in Canada is known as the air cooler system. Under this system the expansion coils are put in what is called a bunker, that is, a chamber which is just big enough to hold these expansion pipes. The pipes are placed over a tank which contains brine made with common salt, or chloride of calcium for low temperatures. A system of ducts or trunks is arranged through which the air from the storage rooms is drawn by means of fans, passed over the cold pipes where it is chilled and returned to the rooms. This system has given good satisfaction in Canada and is one which is used a great deal. It has this advantage that the circulation of air which is provided carries off certain impurities that arise from the goods in storage, and which are absorbed in the brine as the air passes over these coils. Further, the brine absorbs the moisture from the air as it passes, giving a dry storage which is a great advantage in storing certain classes of goods. The system has not been so satisfactory on board ship, because the marine men complain of the amount of space taken up by the air trunks, which is objectionable.

By Mr. Smith (Wentworth):

Q. Did you ever investigate the Wagner system under which the ammonia passes through a small pipe inclosed in a larger pipe?

A. I have heard of the Wagner condenser, but I do not know anything about its operation.

HISTORICAL.

Just a word or two about the history of the use of mechanical refrigeration. Mechanical refrigeration became practical in the sixties. Before that there had been a number of machines made of various kinds, but none of them proved to be of very great practical use. There was an attempt made to ship frozen meat from Melbourne in 1873, but it was a failure. The first successful shipment of frozen meat from Australia was by the steamship *Strathleven*, in either 1879 or 1880, I am not able to determine which year. Then a shipment of mutton from New Zealand took place the following year in the old sailing ship the *Dunedin*. Meat was shipped from the United States to Great Britain in 1875 or 1876; this seems to have been about the first use to which mechanical refrigeration was put. Of course we had cold storage with ice long before that.

FIRST PLANT IN CANADA.

As near as I have been able to ascertain, the first mechanical plant was established in Canada in 1892. That was the first application of mechanical cold storage in this country.

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COLD STORAGE FOR FISH.

The application of cold storage in the fish trade would, I believe, result in a great expansion of that trade. I do not think that it has been fully realized yet what might be done in this direction. They are doing more in this way for the fish trade in Great Britain than we are. I find that many of the steam trawlers in Great Britain have mechanical refrigeration, and it may be of interest to the committee to know that in some of these trawlers they have brine tanks which are kept at a temperature of 15 or 16 degrees, into which they dump their fish just as they are taken out of the water, and where they are at once frozen solid. That keeps the fish in prime condition, and those of you who have been in the old country know that is where you get fish in prime condition.

COLD STORAGE FOR FURS AND WOOLLENS.

There is also room for expansion of the cold storage in connection with the storage of furs and woollens. Some of the cold storage warehouses in the United States are used largely for storage of furs, which is the cheapest and the safest way of protecting them from moths. The Lincoln Deposit Company, of New York, a company doing a very large business, receive as much as \$30,000 worth of furs into cold storage from one customer.

COLD STORAGE FOR APPLES.

I wish briefly to refer to the apple trade, and the way in which cold storage may be of benefit to that trade. We hear a great deal at times about the tremendous waste that occurs in the apple orchards throughout the country every year that there is a big crop. The actual waste has been very much exaggerated. People drive about the country, pass an orchard and see a large number of apples lying on the ground, and they speak about the waste. Most of those apples, however, are worthless anyway. I believe that a great deal of this talk about waste results from a misconception on that point. The great use for cold storage is in improving the condition of the marketable apples. Apples can be allowed to mature better on the tree, and these apples will keep better afterwards, if preserved at a proper temperature, than those which are picked green. They are not so liable to scald, which is one of the great difficulties with some varieties. They would become, when better preserved, a more stable commodity, and those who deal in apples will not require so large a margin, because the liability to loss will be much reduced. As it is now the dealers must count on possible loss, but if the condition of the fruit could be more perfectly controlled so that they could be sure of having a sound, marketable apple, they would, I think, be ready to do business on a smaller though safer margin than they do to-day, because of the big element of risk which would be removed. It is along these lines that great benefit to the trade will result. Apples will be of a more stable character and more certain of being in a good condition, so that our trade will experience a great expansion.

By Mr. Smith (Wentworth):

Q. What is your experience with regard to apples taken out of cold storage on the ship and put in a higher temperature, will they not deteriorate more in the same length of time than if they had not been in cold storage?

A. When placed in the lower temperature the ripening of the apple is simply checked. The life processes in the apple are checked and it delays the time when the apple will become decayed or over-ripe. If you place an apple in cold storage you check this ripening process, it does not stop it altogether, no storage stops these changes entirely, they go on, but more slowly and more slowly as the temperature is reduced. But if the apples are kept in cold storage for a length of time this process goes on until the apples come pretty near the end of their life history, and when such apples are taken out they go down rapidly; but these same apples would have gone down much more rapidly if they had not been in cold storage. Their life would have been that much shorter.

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Q. The point I want to make is this: if you put them in cold storage they should be kept there until you wish to sell them; it is necessary to carry them in cold storage to the journey's end?

A. Well, I think the apple which has been kept in cold storage is naturally ripier than the apple which has been shipped before putting in cold storage.

Q. What will be the effect upon the apple shipped afterwards, after it has been taken out of cold storage and sent to the old country?

A. That will depend upon the condition of the apple when it is shipped. It all depends upon the stage of ripeness to which the apple has attained.

By Mr. Schell (Oxford):

Q. What I meant was with reference to apples put in cold storage for two or three days or a week?

A. I do not think it will make any difference. Those apples when taken out of cold storage should be protected from collecting moisture.

Q. If they are put into a warmer temperature they are bound to take moisture?

A. If they are kept in closed packages they will not collect very much; the apples do not sweat, it is the moisture from the warm air condensing on the cold surface of the apple that causes dampness. If you could keep the warm air from coming into contact with the apple it would not be affected.

Q. There will be air, of course, in the barrel?

A. There will be some air, but it does not amount to much; you do not notice this moisture until you open the barrel, that is when the condensation takes place. I think if the packages are kept closed there is not much danger. The practice has been adopted in some warehouses of bringing goods out of cold storage into an outer room where the temperature is higher, and covering them with a blanket, leaving them in that condition over-night and allowing them to become gradually warmed up.

There is another point, of course, in which the cold storage will be of benefit to the apple trade, and it is that apples can be held in times of large crop, until the period of glut in the markets has passed. At the present time there is a very large amount of apples in store in New York state, and they have quite revolutionized their trade in the 'Greening' by being able to store their apples for two or three months. It is estimated that there are about 5,000,000 barrels of aples going into cold storage every year in different parts of the United States.

WAREHOUSE EQUIPMENT.

Now, I have some notes in regard to the equipment of a cold storage warehouse. I am often asked questions as to the relation between refrigeration and the space to be refrigerated. The following figures come pretty near answering those questions in a general way. Of course one must know exactly the character of the building, the kind of goods to be stored, and the temperature which will be required, before being able to give exact information on a point of this kind. I would say that the following is an approximate estimate:—

APPROXIMATE RELATION BETWEEN SPACE TO BE REFRIGERATED AND TONS REFRIGERATION REQUIRED.

Space.	Refrigeration Required.
1,000 cubic feet.	10 tons per day.
30,000 "	20 "
50,000 "	30 "
75,000 "	40 "
100,000 "	50 "

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POWER REQUIRED.

For each ton of refrigeration about $1\frac{1}{2}$ horse-power should be provided. That will be sufficient for pumping water and brine and driving fans, in addition to running compressor.

WATER FOR COOLING PURPOSES.

The water supply is a very important consideration in planning a refrigeration plant, as the amount of refrigeration performed is only equal to the heat taken up by the cooling water which passes over the condenser coils. It requires, roughly speaking, about 1 gallon of water per minute per ton of refrigeration; that is to say, a 10-ton machine would require 10 gallons of water per minute—more or less according to the temperature of the water.

You get no refrigeration whatever except the cooling that is effected by the water which passes over the condensers. We speak of tons of refrigeration. That is equivalent to the melting of one ton of ice, the standard for a ton of refrigeration. In other words it means the removal of 284,000 heat units from the warehouse or from the goods that are in store. Now, a heat unit is the amount of heat which is required to raise one pound of water from a temperature of 39 degrees to 40 degrees Fahr. That is the British thermal unit, B.T.U. is the way you see it expressed in refrigeration literature. One pound of ice in melting absorbs 142 heat units without increase of sensible heat or rise in temperature. Therefore, $142 \times 2,000 = 284,000$. That is what is meant then by a ton of refrigeration; the melting of one ton of ice. If you have a supply of cooling water at a temperature of 50 you may count on raising the temperature of that water 30 degrees, so that every pound of water is equal to 30 heat units. You can, therefore, easily calculate how much water will be required to effect a ton of refrigeration. The water supply is a very important consideration in planning a refrigeration plant, much more so than most people seem to imagine. It is so important that many large plants have provided an artesian supply.

By Mr. Schell (Oxford):

Q. What is the temperature of the water usually pumped?

A. It all depends upon the source. Take water in a city like Ottawa and I think it is about 65. The water from a deep well will be somewhere in the neighbourhood of 50.

By Mr. Smith (Wentworth):

Q. The water is only used once?

A. The water can be cooled and used a second time. That is sometimes done. In running a plant some years ago I had difficulty in getting a supply of water and ran the water back into the well. Of course it got dirty, but that did not interfere with its cooling power, and the plan seemed to work all right. Tapping the city water mains is rather an expensive business in connection with cold storage, and if any of you think of going into the business, I would advise you to get a flat rate from the corporation before they find out how much water you are going to use.

By Mr. Sproule:

Q. It did not seem to raise the temperature of the well very much running the water back again?

A. I did not take any note of that, as we had plenty of water for our purpose.

COST OF WAREHOUSES.

Now then, as to cost. I find it pretty difficult to give reliable and accurate information upon that point. But for a medium sized non-fire proof warehouse, say 50 to 100,000 cubic feet, I think you can equip it, exclusive of site and water supply, for about 25 cents per gross cubic foot of capacity. That provides for the rooms for machinery and offices, as well as the refrigerated space.

By Mr. Thompson:

Q. What is that in dollars and cents?

A. Twenty-five cents per gross cubic foot of capacity.

Q. You say 50,000 to 100,000 cubic feet?

A. That would be \$25,000 for 100,000 cubic feet.

By Mr. Smith (Wentworth):

Q. That is very cheap?

A. It has been done for less than that, but I am making considerable allowance for increase in the cost of material since that time.

Q. I do not see how you can insulate for that?

A. Mr. Graham, of Belleville, tells me he put up a 20,000 barrel warehouse for \$30,000. I do not know exactly the size of that warehouse, but that is at the rate of 18 cents per cubic foot. I am figuring at 8 cubic feet to the barrel on the actual space required for 20,000 barrels. Another warehouse has been erected in Montreal of an entirely different character, costing 44 cents per cubic foot. It is an absolutely fire-proof building and there is no wood in it at all.

Q. And cork?

A. Cork, brick, hollow tiles, asphalt, and materials of that sort.

I have only one other note, and that is in connection with cold storage temperatures. I beg to submit the following figures which may be considered safe storage temperatures for different commodities.

COLD STORAGE TEMPERATURES.

	Deg. Fah.
Apples (long storage)	31-34
Apples (short storage)	40-45
Pears	33-36
Peaches	32-40
Grapes	35-38
Butter (long storage)	10
Butter (short storage)	20-25
Cheese (cool cured)	60
Cheese (ordinary cured)	35-40
Eggs	40-45
Meats and dressed poultry (10 to 20 days)	30
Meats and dressed poultry (long storage)	10
Bacon and hams	40-45
Fish (frozen)	15-18
Fruit trees	30
Potatoes	36
Furs and woollens	25-30

By Mr. Smith (Wentworth):

Q. I do not quite understand those figures for cheese; what is the difference between the different kinds, why are they kept at different temperatures?

A. There is this difference, that cheese which has never been allowed to become heated and which has never been subjected to those fermentations which produce bad flavours, that is to say, has been cured at the proper temperature, does not require to be stored in as low a temperature as the ordinary cured cheese. Cheese which has been allowed to reach a temperature of 75 to 90 degrees for a few days while it is maturing develops certain fermentations which give rise to bad flavours, and unless you put that cheese afterwards in a very low temperature those bad flavours develop to such an extent that the cheese becomes almost worthless. On the other hand, cheese which were never allowed to become heated while maturing do not usually develop the fermentations which produce bad flavour.

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The temperature for eggs is from 40 to 45; there is some difference of opinion with regard to these temperatures, but most of the Canadian exporters, those who handle eggs in large quantities, keep them at about 40 to 45 degrees. Eggs can be kept at temperatures down as low as 30 or 32.

By Mr. Schell (Oxford):

Q. Do they not keep them at the lower temperature in the cold storage warehouses too?

A. Yes, there are two methods of preserving eggs; one is by pickling them, preserving them in large vats where they are kept at about 45 or 50 degrees. I have discussed that matter with a good many egg men who handle eggs largely, and my information is, although I have no experience in the case myself, 45 degrees is the ideal temperature, but for dry storage, in cases, a lower temperature is sometimes used.

Q. Many of the firms are discarding the pickling process and adopting the cold storage.

A. I must confess I do not know very much about eggs; it is something we have never touched at all.

By Mr. Smith (Wentworth):

Q. Have you made any experiments with tomatoes?

A. No.

Q. That is a most interesting thing; it is generally believed that the temperature in cold storage is too low for tomatoes; we can grow them to perfection, and there is a large market in the old country if we can only get them over there. The general impression is that we are not keeping them at the proper temperatures?

A. We are keeping them too low, perhaps.

Q. Yes, there might be a very large trade developed in the old country if we could only land them there in good condition; they are an easy thing to carry.

A. I think I have some information in regard to keeping tomatoes, but I haven't it at hand at present.

Q. Did you say 30 degrees for fruit trees?

A. Yes, that is the temperature recommended.

Q. I would not like to risk it.

A. If you are storing apple trees and undertook to maintain a temperature of 30 degrees you would probably have trouble, but the lower figure mentioned in each case must always be taken as the minimum that is allowed.

Unless the members have some further questions to ask, that is about all I have to say at the present time, but I am glad to be at the service of the committee at any time you may require me.

Having read over the preceding transcript of my evidence, I find it correct.

J. A. RUDDICK,
Dairy and Cold Storage Commissioner.

CANADIAN AGRICULTURAL SEEDS.

HOUSE OF COMMONS,

Committee Room 34,

FRIDAY, February 22, 1907.

The Select Standing Committee on Agriculture and Colonization met here this day at 11 a.m., Mr. McKenzie, Chairman, presiding.

The CHAIRMAN.—We have present to-day to address the Committee, Mr. G. H. Clark, Seed Commissioner, and Dr. C. E. Saunders, Cerealist at the Central Experimental Farm. Mr. Clark will lead in the discussion.

Mr. CLARK.—Mr. Chairman and Gentlemen, I am to present some evidence this morning, and be examined, upon 'Some Phases of the Supply and Commerce of Canadian Agricultural Seeds.' Before I commence, let me remind you that the duties of my office as Seed Commissioner do not include the work of experimentation or research with farm crops. That work, together with the free distribution of seed grain and other seeds grown on the Experimental Farms, comes under the direction of the Experimental Farms Branch of the Department of Agriculture. I mention this because, in discussing the subject before me, I shall have occasion to refer to the supply of seeds of different kinds of crops, and questions may present themselves to you, as to the relative value of those crops. I am sure you will agree with me that it would be unwise on my part to offer evidence before this committee that naturally grows out of work that has been or is being done by officers of the Experimental Farms Branch who are to appear before you. The work of the Seed Branch may be said to commence where the work of the Experimental Farms Branch leaves off. It is largely educational in nature. We adopt from time to time whatever means seem advisable to encourage the production, selection and use of high-class seeds for all kinds of farm crops. In the Seed Control Act, Parliament has given us a limited control over the trade in certain of the agricultural seeds. It is also our duty to enforce that Act.

COMPARATIVE ACREAGE YIELD IN DIFFERENT PROVINCES.

There are more than 30,000,000 bushels of seed grain used annually in Canada. When we consider the yields obtained from those grain crops, although they are perhaps as high in Canada as in any other new country, we have to conclude that they are lower than they should be. In the province of British Columbia the average yield of oats in bushels per acre is $42\frac{1}{2}$; in the provinces of Alberta, Saskatchewan and Manitoba about 35; in Ontario, $32\frac{1}{2}$; in Quebec, 25; in New Brunswick and Nova Scotia, about $25\frac{3}{4}$, and in Prince Edward Island about $27\frac{3}{4}$. We know, as a matter of fact, that there are quite large areas of oats that yield over 50 bushels per acre, and it necessarily follows that much of the acreage sown to oats yields considerably lower than what I have stated. I do not purpose to discuss at length this morning the causes for these low yields. Perhaps the main cause is to be found in bad methods of farming. The quality of the seed oats that are sown is only one consideration;

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but that is a factor which is of greater importance and deserves more attention than is credited by the average grain grower.

By Mr. Blain:

Q. How did you get the information which you have just given?

A. I have taken the information from the returns obtained by the Census Commissioner. For the western provinces I took the reports of crop estimates made by the provinces.

Q. The crop estimate, not the actual yield?

A. Not the actual yield, the crop estimate, for Manitoba, Saskatchewan and Alberta.

Q. You have the census figures. Why not take them for the Northwest?

A. The census for 1901 was taken from a year when the yield of grain in those provinces was below normal. On that account I thought it was unfair to show the crop of oats there as yielding only 18 or 19 bushels per acre.

By Senator Perley:

Q. The crop of 1900 was a very poor one?

THE WEED PROBLEM.—WEED SEEDS IN THE SOIL.

I come now to a question of seed supply, which is perhaps aside from the supply that may be said to enter into legitimate commerce, but which is an exceedingly important factor in reducing the average yield of cereal grain and other crops throughout Canada. I refer to the supply of weed seeds in the soil. The expense for labour required to keep under control the noxious weeds that have become so prevalent throughout Canada is one of the serious problems with which our farmers have to contend. Those weeds are practically all produced from seeds, and it is both interesting and alarming to know that in many of the weed-infested districts there is a sufficient supply of noxious weed seeds in the soil to produce luxuriant crops of their kind for the next ten or fifteen years.

THE WORK OF THE SEED LABORATORY.

You are aware that in our seed laboratory work we are exceedingly busy during the active season of the seed trade. During the summer months we have an opportunity to undertake special investigation work. I procured, last summer, samples of soil taken from weed-infested districts in the province of Manitoba. Those samples were taken by means of standard soil samplers. A tube about an inch and a half in diameter, forced into the soil to a depth of seven inches, provided us with samples for examination as to the weed seed content. Twenty-nine such samples were carefully analyzed in the seed laboratory and their content of weed seeds identified and tested as to vitality. To say the least, the results were much beyond our expectations, even for soils which were known to be foul with noxious weeds. The accompanying chart contains a summary of the results of the examination of the samples of soil referred to:—

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Origin of Sample.	Total Number of Economic Seeds.	Total Number of Weed Seeds.	Weed Seeds Named in Seed Control Act, 1905.				Other Weed Seeds.	
			Ball Mustard.	Field Penny-cress.	Wild Oats.	P.r. Sow Thistle.	Black Bindweed.	Lambs' Quarters.
Approach to Farmer's Elevator.	37,976	131,662	376	376	12,784		19,176	82,120
1st inch potato ground.	1,356	8,475						5,085
3rd inch "	2,376	12,181					678	7,797
Surface inch stubble.	1,695	15,594					1,356	12,543
3rd inch "	2,632	4,888						4,888
Surface inch corn ground		23,651					1,412	22,239
Summer fallow 1st inch.		30,711					2,118	27,887
3rd inch corn ground.	706	34,947					2,471	32,476
3rd inch summer fallow.	423	24,957					1,269	19,035
1st inch Gilbert Plains.	282							
3rd inch "	846	1,410					1,410	
1st inch Morris.	1,128	7,050		4,230	1,128		1,692	
3rd inch "	353	5,618		3,883	706	353	706	
1st inch Emerson.	6,486	2,256				1,128	564	
3rd inch "	10,998	1,692					1,692	
1st inch Virden.	15,806	15,906					2,358	13,548
3rd inch "	1,695							
1st inch McIvor.	846							
3rd inch "	564	282					282	
1st inch clean field good summer fallow.	846	846					564	282
3rd inch "	564	564					282	282
1st inch clean field poor summer fallow.	564	2,256					282	
3rd inch "	1,059	353					353	
1st inch dirty field good summer fallow.	564	5,922					564	5,358
3rd inch "	1,128	2,820						2,528
1st inch dirty field poor summer fallow.	1,692	17,766					7,614	9,870
3rd inch "	1,410	25,944					4,230	21,714
1st inch McIvor.		2,820					1,410	1,410
3rd inch "	19,176	1,692					564	1,128

The difficulty the farmer has to contend with in controlling weeds is very great on lands where weed seeds in the soil are in a proportion ranging from 200 up to 35,000 per cubic foot. A grain crop on such lands will do little more than pay for the seed and the trouble of sowing and harvesting and threshing the crop. Farmers do not always recognize that the chief problem in connection with the control and eradication of weeds is to control the supply of weed seeds in the soil. With a soil already infested, the only effective practicable cure is by means of cultivation, to bring the weed seeds within an inch, two inches, or (with some kinds of weed seeds) within three inches of the surface, so that they can be induced to germinate. The plant should then be destroyed before it has an opportunity to produce more seed, thus preventing any increase in the supply of weed seeds in the soil.

Q. What proportion would grow?

A. Our germination tests of those weed seeds were not entirely satisfactory to me. We have standard regulations to work under, to test the vitality of seeds of all cultivated crops; but we know from experience that it is difficult to induce seeds of many of the different kinds of weeds to germinate. Many of them will not germinate until after they have had a long rest period. About 50 per cent of the seeds of those weeds belonging to the mustard family were believed to be viable; with some species of them, considerable more than 50 per cent. On the whole, the wild oats that were found in the samples proved to be of a comparatively low percentage of vitality. The results obtained, in attempting to germinate these weed seeds, can scarcely be said to be accurate, because many of the seeds which did not germinate had every evidence of possessing life.

BULLETIN ON 'FARM WEEDS OF CANADA.'

During the last four years the Seed Branch has joined with the various other factors and forces in an educational campaign pertaining to the control and eradication of weeds. It is not until weeds become well established on their farms or in their locality that farmers come to have an accurate knowledge of their nature. They have then of necessity to acquire a knowledge of the best methods of combatting them. Canada has many species of weeds, but comparatively few of those species are to be found in every locality. It is much to be desired that every farmer should have the means quickly and accurately to identify any new noxious weed which may be introduced into his locality, and also to know the best means of controlling and eradicating it. The old adage, 'a stitch in time saves nine,' might reasonably be changed, when applied to the control of weeds, 'one weed pulled in time would save pulling 9,000.'

It was with a view to provide farmers with this necessary information in convenient form that I undertook, over two years ago, the preparation of rather an elaborate bulletin on 'The Farm Weeds of Canada.' With this work I am pleased to be able to say I have had the hearty co-operation, at every stage, of Dr. Fletcher of the Experimental Farm Branch. The bulletin is to contain cuts of 51 of the worst Canadian weeds and their seeds, illustrated in their natural colours. It is two years ago next month since a requisition was placed with the King's Printer for this bulletin. I regret to have to say that slow progress has been made with it. Such lithography work is necessarily slow, but, in my opinion, the work in connection with this bulletin has been unreasonably delayed.

By Mr. Wright (Renfrew):

Q. Will it contain instructions for eradicating these weeds?

A. Yes.

Q. Will the English groundsel be among the number?

A. Yes. It will be treated with in the text. As soon as the bulletin is completed it will be held for free distribution, only on personal application, and for use as a reference book in the libraries of farm homes and rural schools.

COMMERCE IN SEED GRAIN.

I need make only a brief reference to the commerce in seed grain. The great bulk of the seed grain used is grown on the farms where it is sown. A proportion of it is exchanged directly among farmers. A comparatively small percent of the seed grain used in Canada is sold in the trade. In the province of British Columbia probably from five to eight per cent of the seed grain used is sold by seed merchants; in Alberta, Saskatchewan and Manitoba, in some years as much as 10 per cent, in other years less; in the province of Ontario not more than five per cent—less than that in western Ontario, perhaps a little more in eastern Ontario; in the province of Quebec—

By Mr. Blain:

Q. Does that include clover and grass seeds?

A. No. In the province of Quebec as much as 15 per cent; in New Brunswick and Nova Scotia, fully 25 per cent, and in Prince Edward Island, less, I think, than five per cent. Why it is that the farmers in New Brunswick and Nova Scotia depend so much upon seed merchants for their supplies of seed grain, I have never been able fully to understand. There is a common impression among farmers in the Maritime Provinces that if they are to grow oats successfully—because oats is the principal seed grain that is sold in commerce there—they must get a change of seed from the province of Ontario every few years. A great deal of the seed grain that is sold for seed in the eastern provinces is ordinary grain that was grown and sold by Ontario farmers

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not for the purpose of seed but for the purpose of food or feeding. A considerable proportion of it—although that proportion is decreasing year by year—that goes down to the eastern provinces from the province of Ontario, would consist perhaps of No. 2 oats, purchased in car lots on the track, which had never been intended for seed purposes.

Our more reliable seed merchants make a practice each year of procuring from farmers seed from crops that they inspect themselves—seed from good crops. That is a good practice, and it is increasing. A much smaller proportion of the seed which enters into commerce is grown on contract for seedsmen from pure stock and specially for seed purposes.

IMPURITIES IN SEED GRAIN.

The principal noxious impurities that we find in the seed grain put on the market by seed vendors consist of wild mustard, wild oats, purple cockle, and, in the western grown wheat, ball mustard and cow cockle. The common darnel has been found in a few samples that have been sown in the west of late years. Under the Seed Control Act, seed merchants are required to place a label on all sacks or bins of seed grain that are sold or exposed for sale and which contain any of those noxious impurities, on which label the name or names of the weed seeds must be plainly written, so that farmers when buying that seed grain will have full knowledge that it contains wild oats, purple cockle, wild mustard, or whatever impurity may be contained therein and which is specified among the noxious weeds in the Seed Control Act.

By Mr. Herron:

Q. Has that law been put into effect?

A. It was quite effective last year. We propose that it shall be more effective this year.

Q. Is that in Ontario?

A. All over Canada.

Q. There is an Ontario law, but you mean the Dominion Act?

A. I mean the Dominion Seed Control Act. In the matter of seed of cereal grains the principle that is applied in the Seed Control Act is to the effect that if farmers knowingly buy for their own use seed containing wild oats, wild mustard, or other noxious weed seeds, and deliberately sow such seed on their farms, they should be given the privilege of doing so. I do not think this parliament could enact legislation that would be any help to such farmers. With seed grain and other large seeds, even a small proportion of seed of most of the noxious weeds—wild oats perhaps would be an exception when sold with seed oats—is very plainly in evidence in the seed grain itself. That is not so with grass or clover seeds, for which a minimum standard of purity in respect to those noxious weed seeds is provided in the Seed Control Act.

By Mr. Blain:

Q. There can only be a certain percentage?

A. That would apply to timothy, alsike and red clover seed only.

Q. Not to the other?

A. Not to seed grain.

By Mr. Herron:

Q. May I ask if that applies to the ordinary merchant in the country, who may buy a lot of grain from the farmers and then get it into his store and sell it? Does he come under that head?

A. If the farmer makes it clear that he wanted that grain for the purpose of seedling, it seems to me that the man who sold that grain would be liable under the Seed Control Act.

By Senator Perley:

Q. I think that a man should not be allowed to sell for seeding purposes any grain that is impure or that contains noxious weeds.

A. For several years before our Seed Control Act came into force, the noxious weed ordinance in the province of Manitoba and in the Northwest Territories prohibited the sale of seed grain containing any noxious impurities. Our Seed Control Act is not quite so stringent or so comprehensive as theirs.

By Senator Perley:

Q. What objection would there be to applying the percentage clause to seed grain as well as to clover and timothy seed?

A. It is not so necessary that we should apply the percentage clause to the seed grain. The seed grain itself would give excellent evidence of the presence of impurities, whereas the quality of grass, clover and other small seeds is difficult to judge from the appearance of them.

Q. Taking oats, very few farmers could tell from looking at them what percentage of wild oats they contained?

A. They could not accurately determine the percentage from appearance. There are, in fact, comparatively few farmers who are able to identify wild oats in the threshed grain. Most farmers in the west could; they are having a great deal of difficulty there with wild oats. We have many localities in the east where wild oats are not to be found.

Q. Then are we to understand that the law of the province of Ontario is more strict in that respect than the Dominion law?

A. There is no law that I know of in the province of Ontario that applies to seed grain. The noxious weed ordinance of Manitoba, Saskatchewan and Alberta applies to seed grain. It is older, more stringent and more comprehensive than the Dominion Seed Control Act.

Q. This law would not be of much advantage in the province of Ontario, would it, unless this change was made? What I mean to say is, it seems to me that if we are proposing to protect the farmers from purchasing grain containing wild oats and other weeds, we should make it restrictive. The point is, I can not see the object of the government in making the law so restrictive as to clover seed and timothy and leaving very loose legislation in regard to seed grain.

A. The object of the Act is to provide farmers with information so that they may be able to buy intelligently. Then, if they deliberately buy impure seed grain for their own use, the principle of the Act is that they can always do so.

By Senator Perley:

Q. Is the legislation in the Northwest and Manitoba affected by this Act?

A. Not so far as I know.

GRASS AND CLOVER SEEDS.

Fully 95 per cent of the grass and clover seed used by Canadian farmers consists of timothy, alsike and red clover seeds. Seed of brome grass and western rye grass is used in the western provinces. A very little seed of blue grass, orchard grass, perennial rye grass, and others of the European grasses, is used in British Columbia and the eastern provinces.

Our commercial supply of home-grown timothy seed is produced largely in the Georgian Bay and St. Lawrence Valley districts. In point of colour and plumpness, the timothy seed produced in these districts is not excelled any place in the world. Small lots of timothy seed are saved by farmers in all of the provinces, but the total supply of Canadian grown timothy seed is not sufficient to meet the demands of the

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trade. Then, too, in most years a considerable quantity of our best timothy seed is exported to European countries, where it is much in demand at good prices on account of its exceptionally fine appearance.

We import largely of timothy seed that is grown in the western states—Minnesota, Illinois, Wisconsin, and other states where it is grown in large areas on comparatively flat land that is perhaps better suited to the production of timothy seed than to most other crops. The seed that comes to us from those districts is smaller in berry than our best Canadian seed, but, on the whole, it is purer. There is no apparent difference in the plant. The difference in the quality of the seed is due, in my opinion, to the locality in which it is grown.

RED CLOVER AND ALSIKE SEED.

The province of Ontario is a large producer of red clover and alsike seed. In the average of years, about one half of the total output of red clover seed grown by Ontario farmers is exported, and considerably more than that of the alsike seed. The Ontario supply of alsike seed may be said to control the world's prices for that article. Very little red clover seed is grown in eastern Ontario or in any of the other provinces, although both red clover and alsike seed of superior quality may be profitably grown in eastern Ontario, the greater part of Quebec, and in parts of the western provinces.

Europe is our natural market for clover seeds. The principal countries in which clover seeds are produced in quantity, and from which countries large supplies are offered in the European market, are the United States, Canada, Great Britain, Continental Europe, Chili, and New Zealand. In point of purity, the Canadian grown article is not excelled by any country in the world, being, as it is, entirely free from dodder seed of any kind; but in the European market the American (including Canadian) grown red clover seed will not bring within two or three cents a pound as much as the English, French and Chilian grown seed, of equal quality in point of purity. The red clover plant produced from the American seed differs materially in appearance and in quality for forage or fodder purposes from the clover plant produced from the French, Chilian and English grown seed. Because of that Canada will this year derive considerable benefit from the importation of English and Chilian grown red clover seed, which is being brought in very largely this year because of the failure in the American red clover seed crop of last year. I would say that fully one-half of the red clover seed that will be used in Canada during the present year will be an imported article.

By Senator Perley:

Q. Is that inspected?

A. It is inspected when it is offered for sale for seeding. It is not officially inspected when it is imported, except that we receive for test in the seed laboratory an average of about 40 samples per day. It is from an examination of these samples that I am able to form an opinion of the proportion and quality of red clover seed that is being imported. I have here to show you some samples representing bulk lots of red clover seed that has been imported during the last month. You will note that it is not difficult to differentiate between the English, Chilian and American grown seed.

There are several varieties of red clover. Our seedsmen catalogue both common and mammoth red clover; but, as a matter of fact, no person can determine from the appearance of the seed whether it be of the mammoth or common variety, and the information that our seed merchants ordinarily have of the identity of the variety is very murky. The two varieties will cross-fertilize naturally, and—except it be in a very few localities where mammoth red clover is almost exclusively grown—I do not think we have any source of supply of even a reasonably pure mammoth red clover seed. When farmers order mammoth red clover, they are usually supplied with either the common variety or with something that is true neither to the common red or to the mammoth red varieties.

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In the samples I have shown you there are three qualities of seed in each of the three lots—No. 1 seed, seed of intermediate quality, and seed that would be prohibited under the Seed Control Act. These samples were selected especially to illustrate to you that it would be difficult for any person, unless he be an expert, to determine from the appearance of the seed whether it be foul with noxious weed seeds or not. If a farmer were to sow ten pounds per acre of clover seed of the quality contained in those bottles labelled 'prohibited,' he would be sowing seed of some of the worst Canadian weeds at the rate of about 15,000 per acre.

ALFALFA SEED.

The amount of alfalfa seed that is being sold in Canada is rapidly increasing from year to year. A small quantity is being grown in the province of Ontario and in Alberta, but our supply comes chiefly from the southwestern states. The state of Utah is a large producer of alfalfa seed. A great deal that was put on our markets some few years ago was of low vitality. Much of the alfalfa seed that is imported from the western states contains a species of dodder which we have lately learned will thrive in the climate of southwestern Ontario.

THE EFFECT OF SEED CONTROL.

I desire now to devote a few minutes to the consideration of the world's supply of grass and clover seeds, the systems of seed control in foreign countries, and how they have reacted and effected the quality of seed offered in our Canadian retail trade. Grass and clover seed may be said to be a speculative article of commerce. Hamburg is the one great central seed market of the world. Supplies of grass and clover seed may be obtained there from any country where they are produced. In those European markets seed of the very best quality of all kinds of crops is offered to wholesale or retail buyers. During the last 25 years there has been a gradually increasing spread in the price between seed of the best quality and the lower grade article. That spread in price was brought about largely by the systems of seed control, voluntary or otherwise, which obtain in most of the European countries, by which systems the farmers in those countries are able to procure with their seeds a statement of guarantee as to their purity and vitality. Those systems of seed control may be said to have grown out of the establishment of seed control stations, or seed laboratories, which are numerous throughout most of the European countries and which do work quite similar to our seed laboratory which was established in Ottawa five years ago. It is largely on account of the work that has been done during the last 25 years by these European seed testing stations, or seed control stations as they are called in Europe, and the guarantee systems which have grown out of that work, that farmers of Europe will not buy and use seed of the lower grades. In consequence, the cleanings from the world's supply of grass and clover seeds, gathered together each year in the European market, are offered at a much reduced price to the wholesale trade in those countries where they have no system of seed inspection or seed control.

Prior to the enactment of our Seed Control Act, Canada was receiving a share of the cleanings and the low grade grass and clover seeds from foreign countries. But what would seem to us to be even worse, the cleanings from our own home-grown seed, which is now largely recleaned in Canada, was retained and offered in our Canadian retail markets to Canadian farmers, and the superior recleaned article was exported to Europe. Who will say that our Canadian seedsmen were entirely to blame for this condition of affairs? They were handling the seed that our farmers produced, and they were supplying them an article which the farmers demanded. That is to say, the great bulk of the farmers living outside of the districts where clover seed is largely grown, demanded a cheap article and were supplied with an article of low price per bushel, though an article very dear at the price. That condition of affairs

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was due almost entirely to ignorance on the part of seed users, and that brings me back again to the statement that the real worth of grass, clover and many other kinds of seeds can not be judged from appearance, except perhaps, by experts.

By Senator Perley:

Q. Has that been done in Ontario?

A. Yes. The province of Ontario is the natural base of supply for the clover seeds used in Canada.

CLOVER SEED MARKETS.

The principal markets for the cleanings and low grade grass and clover seeds were in eastern Ontario, to a limited extent in the province of Quebec, in the provinces of New Brunswick and Nova Scotia in particular, and, to a lesser extent, in Prince Edward Island and British Columbia. When the Seed Control Act went into force in September, 1905, the problem of our Canadian seed merchants was, 'How can we do business under the Seed Control Act if we are deprived of a market for our cleanings and seed of poor quality?' The demand from European countries for seed of high quality still continues to be good and deserves to be fostered. The prices offered in those countries for superior grass and clover seeds are in advance of what our Canadian farmers have paid and seem to be willing to pay for seed of the same quality. The problem with the seedsmen was, 'If our natural market desires only a continuance of the supply of the best article and only a reasonably good article is to be sold in Canada, what is to be done with the lower grade seeds?'

Since our Seed Control Act came into force, Canada has no longer been the dumping ground for the cleanings of grass and clover seeds produced in foreign countries. I have no doubt that the cleanings from our own home-grown seeds have been offered for export in any country where there is a market for them. It is said that a considerable proportion of the cleanings of Canadian seed is now going to the European market, where it is again cleaned and offered for sale in any country that desires seed of that quality. The result of the Act to the Canadian clover seed producer has been a marked spread in price between the clean article and seed grown on land foul with weeds. That, in my opinion, will have a good ultimate effect. It will tend to encourage the production of clover seeds on clean land and to stimulate other farmers to an application of methods of controlling the noxious weeds on their farms.

NEW WEEDS THAT ARE BEING INTRODUCED.

In the red clover seed that has been imported this year, a few species of weeds that are comparatively new to Canada are being introduced. Dodder is very prevalent in the seed coming from Chili and from England. This particular species of dodder is known as the *Cuscuta Ramosa* in Europe. Here is a pressed and mounted specimen of it. It is a narrow gut-like plant which grows from seed and winds itself around the leaves and stems of the clover plant, from which it obtains its nourishment. I have definite knowledge that this species of dodder has been introduced and quite largely sown in Canada at least during each of six years in the last quarter of a century. The fact that we have never detected a single grain of dodder seed in any Canadian grown red clover seed should be good evidence that our Canadian climate is too rigorous for this species of the red clover dodder. I have made considerable inquiry of botanists, who have had much to do with the examination of clover seed during the last 15 years, and I do not know of any person who has ever found dodder in Canadian grown red clover seed. Except for our Pacific Coast climate, and perhaps a small section along the front of Lake Erie, I feel quite safe in saying to our farmers that they need have no serious fear of any permanent trouble from the dodder seed which will be largely distributed in the red clover seed offered

in the trade this year throughout Canada. The farmers of the south of England could not be induced to buy red clover seed containing dodder seed. It is legislated against more than any other weed. It would mean the failure of the clover crop to sow clover seed containing a large proportion of dodder in a climate where dodder will thrive. On the other hand, the farmers in the north of England and in Scotland have learned that they have no reason to fear the dodder that gives so much trouble in the south of England. According to the evidence that was taken before a select committee appointed by the Board of Agriculture of Great Britain, to investigate the conditions of the seed trade, dodder will not thrive in the climate they have north of about Chester in England.

Another impurity that is quite prevalent in the seed that has been imported is known as fool's parsley, a species of plant resembling the wild carrot. Clustered dock, a species closely allied to the ordinary curled dock, is also very prevalent in some of the imported seed. We have yet to learn whether these plants which are noxious weeds in other countries will prove to be noxious weeds in Canada. They are not named in the Seed Control Act, and we are therefore unable to place any restrictions on the sale of red clover seed containing them.

By Mr. Blain:

Q. Are we to understand that the Seed Control Act does not apply to exported seed, but only to seed that is sold for seeding in Canada? What is your opinion of the export trade under that condition?

A. Our natural export market for grass and clover seeds is in Europe. Whatever low grade seed is exported from Canada to Europe would probably be recleaned by a slow process with intricate machinery and cheap labour. In view of the statements recently made by Representative Mann in the House of Representatives at Washington, we would have reason to conclude that some of our cleanings have been exported to the United States. The United States produce more red clover seed than is produced in Canada; but if they sell their good seed abroad and keep their own screenings at home, because they are cheap, and want to buy cheap seeds from Canada, I do not see why any serious objection should be raised—at least by those of us living on this side of the boundary line.

Q. Is it not just as likely to be the other way?

A. Low grade seed is not permitted to be sold in Canada, under our Seed Control Act.

Q. Have they no Seed Control Act in the United States?

A. No, but there is a Bill at the present time before the House of Representatives at Washington looking to this end.

Q. You think it would not be wise to apply the Seed Control Act to the export trade?

A. As yet I think it would not be advisable. It may perhaps be advisable at some future time, say five or ten years from now. In the first place, what are noxious weeds in Canada may not be noxious weeds in the countries to which we export our seeds. Our seed merchants of necessity have to handle what our farmers produce. With the protection now afforded to farmers, under our Seed Control Act, further progress will necessarily rest in the improvement of the quality of the seed produced. In that matter we have been directing, and will continue to direct, our best efforts towards improving the quality of our Canadian grown supply; but that is a slow process, especially on account of the expense for farm labour.

Q. My point is, we are passing a good deal of legislation to take care of our natural products, and it does seem to me that we should be a little more careful of our export trade in seeds, particularly as we are a young country.

A. I am not so well acquainted with the other legislation, but, so far as I am acquainted with it, that legislation is intended mainly to prevent misrepresentation and fraud.

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Q. It would be fair, I suppose, to take the apple trade and the butter trade as samples? We are particularly careful of the quality of the apples, the butter and the cheese we export.

A. But there is a difference. With those perishable articles, our Canadian merchants cannot very well send samples to merchants in foreign countries, so that the purchase made could be based on the sample submitted, as is done in the seed trade.

Q. But if the Canadian producer can find a ready market for inferior seed, there is always a danger that some portion of it will be sold to our Canadian farmers; and, furthermore, we shall never be able to build up a very important export trade.

A. We now have a good export trade in clover seeds. It is desirable that that trade should be fostered.

Q. I suppose it is quite possible to make it greater.

A. Yes. The production of clover seed is a money-making industry to the Ontario farmers. There is perhaps greater danger of crop failure, such as occurred last year, in the crop of red clover seed than in some other crops. I hope to see in future years red clover seed of good quality more largely produced in eastern Ontario, in Quebec, and in some districts of the western provinces. There is no reason why we should not double or treble the output from our clover seed crop. It is a crop that takes very little nutriment out of the soil and gives excellent returns in the average of years.

APPLICATION OF THE SEED CONTROL ACT.

I come now to the subject of the enforcement of our Seed Control Act. In that Act Parliament has given us a limited control over the trade in certain of the agricultural seeds, when they are sold for seeding in Canada. Our seed merchants have the right to import or export seed of any quality they see fit or can get a market for; but before such seed can be put on the market for the purpose of seeding in Canada, it has to conform to the provisions of the Seed Control Act. With the large seed cleaning plants we have in Canada, any Canadian seedsman can take foreign grown seed and reclean it, so that it will conform to our Seed Control Act. It is my duty, and that of the officers who are working under my direction, to see to it that the provisions of the Act which we consider to be reasonable are respected by seed vendors in all parts of the country. We have had a little more than one year's experience with the Act and I am able to say now that we have found some problems that give us considerable difficulty.

Properly-called seedsmen of Canada are as honourable and as careful as the seedsmen in any other country in the world. At the head of most of the seed houses in Europe we find men who are excellent authorities on botany, plant breeding, seed selection, and the production of seed of all the various kinds of field and garden crops. We have a few such men in connection with our seed houses. As a reference book in farmers' and gardeners' homes, their catalogues are used perhaps more than any other book. They are edited and published by the seed firms at considerable expense and for the one purpose of extending their trade. The more reliable seedsmen, who place a high value on their reputation, exercise reasonable care, so that the information contained in their catalogues, as to the relative value and methods of culture of the various kinds and varieties of seeds offered for sale by them, is fairly correct and may safely be taken as a guide for amateurs. But unfortunately, there are a great number of seed catalogues distributed throughout Canada which contain glowing accounts of the characteristics and capacity for giving large returns of certain so-called new kinds and varieties of crops, but which afterwards prove to be either a worthless article or an old variety, sold at high prices under a new name. A great many farmers and gardeners who desire to get rich quick, or who delight in getting ahead of their neighbours in the matter of securing new kinds, are lured by such advertisements. Such catalogues, issued by unscrupulous seed vendors—some of whom are located in this country—bring temporary profit to them.

Seed vendors of the type I have referred to are usually termed 'jobbers' in the trade. Their main business is very often of an entirely different character. Particularly is this true of the jobbers in grass and clover seeds. There are many wholesale grocers who, although they have but little knowledge of what constitutes quality in seeds, import and distribute large quantities of them. Judging from the evidence that we have gathered in connection with enforcing the Seed Control Act, I would say that the main object of a great many of those jobbers is to secure an immediate profit in handling such seeds. In the past, the margin of profit from the sale of low grade seeds was greater than that obtained from selling seed of superior quality. A great deal of the red clover seed imported this year will come very close to the minimum standard of quality fixed in the Seed Control Act, below which such seeds are not allowed to be sold.

By Senator Perley:

Q. Let me ask you one question. What is the relative productive capacity of those noxious weeds compared with the good seed?

A. The weed seed may produce from 25,000 to 50,000 seeds. One clover plant would produce between 100 and 500 seeds.

By Mr. Blain:

Q. How do these importers get rid of this inferior seed under the Seed Control Act?

A. I said that what they imported came very close to the line. That seed can be put on the market and sold so long as it is not below the line.

I venture to say that were it not for our Seed Control Act this year, a great deal of the red clover seed that has been imported would have been of much inferior quality. I have had the privilege of examining several lines of samples of red clover seed that has been offered to our Canadian merchants from various foreign countries. From those samples our importers have had an opportunity to purchase abundant supplies that would grade No. 1, under our Act. But it is true that the great bulk of the seed offered has been of inferior quality. What I have tried to make clear is that those of our importers who care little about maintaining a good reputation as sellers of good seeds have exercised care only so far as has been necessary to protect themselves under the Seed Control Act. Perhaps fifty per cent of the red clover seed imported during the last two months is of this intermediate quality. Our more reliable seed houses have been careful to bring in only a high grade of seed. This they will have to sell in competition with the poor seed which will look almost as well in the eyes of the farmer and a great deal of which will be sold under the name 'Government Standard,' because it conforms to the minimum standard of quality fixed in the Seed Control Act.

Since the year 1902 we have each year collected a large number of samples of grass and clover seeds for investigation purposes, procuring in each case information as to the source of supply. As a result of the information obtained from such investigation work, we have found a few distributing points which are sinners above all the rest in selling low grade seeds, screenings, and other seeds of inferior quality that are sold by jobbers, not by seedsmen, properly called. First among those points I would mention the city of St. John, N.B. Halifax is bad enough too, and we have found considerable quantities going out from Montreal. We have done what we can and we propose to direct our efforts as best we may to educating the farmers in the districts where that seed is disseminated, as to the folly and false economy of buying such a low grade article. We purpose during the coming season to be less lenient with the enforcement of the Seed Control Act than we were last year. During the past season we adopted the plan of the Inland Revenue Department and published a small pamphlet giving the names of persons who had violated the Seed Control Act. No sample of seed was taken by our inspectors from any seed house except in the presence of the

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person who owned the seed or his agent. Furthermore, no seed vendor was published for having violated the Seed Control Act until after he had been visited once and fully warned, and visited a second time and found, through carelessness or design, to be ignoring the Act.

ROOT CROP AND VEGETABLE SEEDS.

All of our supplies of root crop seeds which enter into commerce are imported from Europe. We cannot determine from the appearance of those seeds whether they will produce a good or a poor crop; but from observation we know that there is a great deal of difference in the quality of the crops produced. Our importers of these seeds have the choice of buying high class seed from selected stock, or buying a cheaper article of questionable quality. Competition in the trade in these seeds is restricted far too much to the matter of prices and not enough consideration is given to quality. In examining crops of turnips, mangels or carrots throughout the country during the summer months, we find a vast difference in the crops produced from different stocks of seed obtained from different seed houses. All that we can say to our farmers is that until we can produce our own supplies of these seeds, they will have of necessity to depend alone on the reputation of the seed merchant from whom they purchase.

By Mr. Wilmot:

Q. Do the prices of these seeds vary much?

A. In root crop seeds, not nearly so much as they should.

Q. I had the idea that they were uniform, or nearly so.

A. They are nearly uniform. Some of our best seed merchants put up their best selected stocks in pound packages in cardboard boxes; but there is a constant danger to them that their less scrupulous competitors may adopt the same practice and the farmer may be at a loss to know which is the genuine article.

Q. The same thing will apply to the sale of clover seed?

A. Yes. The competition is restricted altogether too much to prices. That would apply also to garden vegetable seeds, but with these we have put on the market many kinds that are extremely low in vitality. There are some kinds of garden vegetable seeds which are useless when more than two years old. No one supposes that the stocks left over from year to year are wasted. There are only a few seedsmen in Canada who do not mix them with their fresh seeds. Such mixing would increase the bulk and the weight and would perhaps save the farmer or gardener from thinning the plants in the row. At least the plants from a great deal of the onion and parsnip seeds we have collected and tested would be far apart and few between in the rows. Purchasers of root crop and garden vegetable seeds should demand from their seedsmen a statement of the percentage of vitality. With such information, farmers and gardeners would know exactly where they were at, before sowing. All reliable seedsmen have that information to supply, and there is no good reason why they should not give it to their customers. Farmers and gardeners should not purchase their supplies from men who have not got or are not willing to give that information. The accompanying chart contains a list of the common vegetables, the temperature at which their seeds should be germinated, the time required for the germination test, and a standard of germination for good seed. In unfavourable years some kinds of seed would fall considerably below this standard; but, in my opinion, seed should not be used if it will not germinate within 5 per cent, or at least 10 per cent, of the standard for good seed that is given in the accompanying chart.

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Name of Seed Vegetables.	Temperature for Germination.	Time Required.	Standard for Good Seed.
	Frht.	Days.	Percent.
Asparagus..	68 86	14	85
Beans	68 86	10	90
Beets	86 86	14	90 balls, 160 sprouts.
Cabbage	68	10	93
Carrot	68 86	14	90
Cauliflower.	68	10	90
Celery	68 86	14	60
Corn, sweet.	68 86	10	95
Cucumber.	68 86	10	90
Lettuce	68	10	90
Musk melon.	68 86	10	90
Onion.	68 86	10	90
Parsnip.	68 86	14	65
Peas.	68 86	10	97
Pumpkin.	68 86	10	85
Radish.	68	10	95
Salsify	68 86	10	85
Spinach.	68	10	90
Squashes	68 86	10	90
Tomato	68 86	10	90
Turnip.	68	10	95
Water-melon.	68 86	10	90

Mr. Chairman and Gentlemen, I thank you for your kind attention.

Having read over the foregoing transcript of my evidence, I find it correct.

GEORGE H. CLARK,
Seed Commissioner.

TESTING QUALITIES OF WHEATS AND FLOURS.

HOUSE OF COMMONS,

Committee Room 34,

FRIDAY, February 22, 1907.

The Select Standing Committee on Agriculture and Colonization met here this day, Mr. MacKenzie, Chairman, presiding; Dr. C. E. Saunders, Experimentalist, was present by citation and addressed the Committee as follows:—

Dr. C. E. SAUNDERS: Mr. Chairman and Gentlemen, I understand from the communication received from the Secretary of the Committee, that you wish me to present to you any information I may be able to give in reference to deterioration, real or supposed, which occurs in the case of wheat which is exposed to the weather for a considerable period of time before being threshed, as sometimes happens in our western provinces. So far as direct investigations are concerned, I have no definite figures to present to you in this connection; though some of the researches which I have carried on may give some clue to the solution of this problem. The question is, however, a very complicated one, for the reason that the quality of each weathered sample would depend upon a number of conditions. The variety of wheat shown, the nature of the soil and the general character of the season would all exert considerable influence, as well as the weather, while the crop was in stook. The researches (reported in Bulletin No. 50 of the Experimental Farm Series) in regard to the quality of the different grades of wheat, showed that lower grades than those commonly milled, gave a fair yield of flour of very good quality. The very lowest grades gave rather poor flour, but even as far down as number 4 grade, it was found possible to obtain a considerable yield of very good flour. From the facts established the conclusion was drawn, that if the public were willing to pay a fair price for flour not quite of the very best appearance, the millers should be able to pay higher prices than were then prevalent for some of the lower grades of wheat. In addition to the regular grades, a sample of frozen wheat was tested and it was found that even this unattractive sample yielded flour from which excellent bread was made. If wheat and flour were always sold strictly according to their value, and if the public were not willing to pay a somewhat higher price for a better looking article, even though not really superior in any other respect, then the problem would not be very difficult. The commercial value of wheat and flour could be determined by analyses and tests.

APPEARANCE NOT A RELIABLE TEST OF QUALITY.

But wheat and flour are judged by appearance rather than by actual quality, and a better appearance nearly always brings a higher price. The general opinion is that our western Canadian wheat is of the highest quality when it is very hard and of a bright but dark reddish colour. Paleness, whether due to the character of the variety sown, to the soil, or to the weather, is considered to be a sign of poor quality. Now I should not like to say that there is no element of truth in this idea, but I do say, most emphatically, that the exceptions to the rule are so very numerous that it is an extremely unsatisfactory basis for grading wheat. So long, however, as wheat is judged chiefly by appearance and so long as the most fashionable colour is dark, bright reddish-brown,

it will be very difficult indeed to sell at its full value, wheat which is of a somewhat paler colour.

A similar difficulty presents itself in the case of flour. In order to bring the highest price, it must be of such appearance as is popular at the present time. It must be bright and of rather a pale cream-colour. Now, it may be that the weathering of wheat causes a certain amount of brittleness in the brand, and if so, there might be some difficulty in producing from such wheat, as large a quantity as usual of flour of the best colour. It seems to me highly improbable that the weathering would, in most cases, appreciably lower the baking strength of the flour produced from the wheat; but it might perhaps slightly reduce the yield of high grade flour, judging the grade by colour only.

DETERMINATION OF STRENGTH IN FLOUR.

When studying the grades of wheat two years ago I felt very keenly the need of some satisfactory definition of flour strength and of some regular system for determining it and expressing it numerically on a simple, fixed scale. Much work is done, in connection with some of the large flour mills, in testing the flour produced; and a few scientific investigators have studied flours with some care; but there is no system or scale in general use for the expression of flour strength, and most of the work done in that direction has been entirely empirical and unsatisfactory. Finding it imperative to establish a scale of strength, I have been working on the problem for a year or more, and have reached a fairly satisfactory solution of it.

The mark which I give to any flour to designate its strength is based on the amount of water it absorbs when made into dough, the amount of water retained after the bread is baked, the volume of the loaf, its shape, the form of the crust and the texture of the inside of the loaf. All of these factors are carefully determined by repeated bakings, and the figures obtained are then brought together in such a way that one number, which may be said to be the average of them all, is derived from them. I shall not attempt to give you the details of the method, but these few words of explanation may serve to give you a general conception of it.

Strength in flour may perhaps be roughly defined as the ability to take up and to retain water and to produce a large, high loaf with a regular, even crust and fine texture. The strongest flours give a comparatively close texture even when the bread is extremely light, the cell-walls (if the term may be used) being of course very thin.

The scale of points for flour strength, based on the observations referred to, run from about 70 to 100, but is not limited in either direction. One hundred represents, not perfection, but simply a flour very high in strength. Seventy represents a flour very low in strength. Exceptional flours may obtain a mark above 100 or below 70, but these figures are the usual limits. This method of determining and expressing strength is largely free from empiricism and is primarily an expression of fact rather than opinion. Using this system it becomes possible to accurately express and permanently record the strength of each flour. Comparisons can therefore be made between flours from different classes of wheat, and the quality of flour produced in one season can be compared with that of other years. The so-called 'standard' flours, which have been used for purposes of comparison in spite of the fact that their strength varied with their age, are quite unnecessary when this system is used.

The objects in view in carrying on these researches in flour strength may be briefly stated to be:—

First:—To enable us to select the most desirable sorts of wheat from the large number of cross bred varieties constantly being originated at the Central Experimental Farm, and from the new sorts which are imported.

Second:—To test the varieties of wheat generally cultivated in Canada, to ascertain which of them should be continued and for what purpose.

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Third:—To determine to what extent the strength of any variety is affected by soil, climate, use of fertilizers, exposure to weather when in stook, storage after threshing, &c.

A complete study of all these problems would take many years. All that I can do this morning is to present to you in a preliminary way a few of the facts which I have thus far established.

PURPOSES FOR WHICH WHEAT IS USED.

It would be well, perhaps, before going further, to say a few words about the different purposes for which wheat is used. Bread-making is no doubt the chief of these. For this, a flour of great strength commands the highest price both because it will usually give light bread even in the hands of a careless baker and because its (usually) high-water absorption enables the baker who sells his bread by weight to dispose of a relatively large quantity of water at several cents per pound. For household purposes, however, it is doubtful whether wheats of medium rather than the very highest strength are not to be preferred. Biscuits, cakes, pies, &c., are undoubtedly more wholesome and satisfactory when made from flour of medium or of no strength. Somewhat starchy flours rather low in gluten, are perhaps best for these purposes. For the making of cereal breakfast foods, many of which consist largely or altogether of rolled wheat, the manufacturers prefer varieties with plump round berries and a yellow skin. The presence of a considerable quantity of gluten is said to be also an advantage from the manufacturers', as it certainly is from the consumers' point of view. Wheat is also used for the production of macaroni for which purpose very hard, glutenous sorts are found most satisfactory.

You will see, therefore, that it is not strictly accurate to speak of the *strongest* wheat as the *best*. It is best only for certain purposes. Inasmuch, however, as very strong wheat is rather scarce in the world's markets, it usually commands a high price. Farmers should select the variety of wheat they grow, just as they would select an animal, for the particular purpose for which it is required.

APPEARANCE OF WHEAT NOT A GOOD INDICATION OF FLOUR STRENGTH.

I have brought with me a few samples of different sorts of wheat bearing out my contention that it is impossible in many cases to form a fair idea of the quality of the sample of wheat from its appearance. If we know the variety we can form a better estimate than without that knowledge; but even under the most favourable circumstances we run the risk of making serious mistakes. (Samples were here exhibited).

Here, for instance, is a beautiful, dark red sample of wheat grown at Ottawa last season, the baking strength of which is only 80 and another good sample of somewhat similar appearance with a baking strength of only 75. Here, on the other hand, is a sample of rather poor appearance which earned 99 marks and another extremely poor looking sample which earned 90 marks for strength. Such instances could easily be multiplied. They all serve to emphasize the fact that appearance is often a very poor guide as to baking quality. If, however, we are comparing only different samples of the same variety, appearance is less untrustworthy than when we deal with different sorts. But even then it cannot be depended upon.

You will understand that I am discussing only the question of the strength of the flour obtained, not the yield of flour. This latter is a point of very great importance to the miller; but, as a rule, there is much less relationship than is usually supposed between the yield and the strength of the flour.

VARIATIONS IN FLOUR STRENGTH DUE TO SOIL, CLIMATE, AND OTHER CAUSES.

A few determinations of the strength of flour have been made upon the same varieties grown under different conditions. This winter (in studying Red Fife of last

season's crop) I found a good, hard sample grown at Indian Head, and weighing 63 lbs. per bushel, which earned 95 marks for flour strength, whereas our selected Red Fife at Ottawa earned 102 (a little better than strictly first class) though it weighed only 59 lbs. per bushel, and was a much less attractive sample than that grown at Indian Head.

Pringle's Champlain, grown at Indian Head in 1906, and weighing 63 lbs. per bushel, earned 80 marks for strength, and the same variety grown at Ottawa in 1906, and weighing 61½ lbs. per bushel, earned 93 marks.

That Ontario spring wheat is of very high quality (when the best varieties are grown) is clearly evident from these figures. It is also noteworthy that Turkey Red winter wheat grown at Ottawa in 1906, surpassed by 11 marks, Turkey Red, grown the same season near Lethbridge (a distinctly harder sample). In this case, however, I cannot guarantee the purity of the Lethbridge sample. It may not be pure Turkey Red. The Ottawa sample earned 98 marks.

By Mr. Schell (Oxford):

Q. Those tests would indicate that the Ontario wheat was better in baking strength than the wheat grown in the west?

A. Yes, we cannot avoid that rather remarkable conclusion. It is quite contrary to ordinary belief; but having had indications of it before, it does not come altogether as a surprise to me. Last winter, in studying different samples of pure Red Fife, I found a strength of 89 in a very soft sample grown near Neepawa, Manitoba, and a strength of 100 in a very hard sample grown in the same district. From these two cases one would judge that an average sample, grading No. 1 Northern, would probably have shown a baking strength of about 96 to 98. A sample of early Red Fife grown at Ottawa that same season, and not of very fine appearance, gained 99 marks for strength. I may say also that the finest flour I have yet made was from a sample of Red Fife grown here in 1902. Of course it has probably improved with age. When baked this winter it earned 107 marks. It was not a very particularly good looking sample of wheat, being rather soft.

By Mr. Blain:

Q. Of what age?

A. The wheat was grown in 1902, the flour was made this winter.

By Senator Perley:

Q. How much did that wheat weigh to the bushel?

A. Sixty-one pounds.

IMPROVEMENT OF WHEAT AND FLOUR WITH AGE.

By Mr. Blain:

Q. Can you say up to what age wheat and flour both improve?

A. The work I have done on that problem is not yet sufficient to enable me to answer your question. Of course much would probably depend on the conditions, as to moisture, temperature, &c., under which the material was kept. It is well known that new wheat, and flour made from new wheat usually gain strength with age, but there is very little definite information obtainable on that subject. In order to avoid errors arising from differences in age, I compare only the wheats of the same seasons, and make the baking tests not earlier than the middle of the winter. In this way it is believed that trustworthy comparisons are made.

The case of Red Fife grown at Ottawa in 1902, which was referred to a few moments ago is no doubt an instance of improvement with age. Another case of very striking character I discovered this winter. One of our new cross-bred wheats, which

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goes by the name of Yellow Cross, showed a baking strength of 82 when tested a year ago, the wheat having been grown at Ottawa in 1905. Some of the flour was kept over and was found this winter to have gained remarkably in strength, earning 102 marks. That is to say, it improved from rather below medium strength to rather above first-class strength during the year.

I hope to take this problem more fully in the near future in conjunction with Mr. Frank T. Shutt, the chemist of the Experimental Farms, who wishes to study the chemical aspects of the matter.

It is the usual practice of millers to save some old wheat to mix with the new wheat which they are grinding during the autumn months; because they know that the new wheat is not usually so good at that time. This question of age complicates the problem as to the relationship between grade and quality. I might also point out that the improvement of wheat with age suggests the possibility that, in case a large part of our western wheat should ultimately be exported by some northern route, ten or twelve months after harvest, the cost of storage might be partly or entirely covered by the gain in quality.

GRADING WHEAT BY APPEARANCE.

The facts which I have brought to your attention this morning serve to show the extreme difficulty of grading these by appearance. The system of inspection and grading now practised is certainly of considerable value, but is by no means as accurate as many people suppose. The ideal method of grading would be to consider both the flour yield and the quality of the flour, and in that connection the age of the wheat would be a very important factor.

By Mr. Thompson:

Q. Is there such a method?

A. Yes, it is quite practicable in a well equipped laboratory.

Q. Is there a simple method by which the buyer could grade in that way?

A. No such simple method has been worked out for inspection purposes. The cost would perhaps be prohibitive, and in the case of new wheat the baking strength would probably improve so much in a couple of months that the original inspection tests would operate greatly to the disadvantage of the farmer, and to the advantage of the European buyer, except when the farmer was selling old wheat.

Q. That difficulty does not occur under the present system, which is based on appearance?

A. Appearance is, to a certain extent, a safe guide in many cases, but it cannot by any means be entirely relied upon.

By Senator Perley:

Q. In the inspection it is required that grain should be a certain colour?

A. Yes, there is a prejudice in favour of a dark red colour and a bright skin, and the result is that such an admirable wheat as White Fife (fully equal in my opinion to Red Fife) does not receive in Canada the approval it merits.

Q. We have in our country wheat of a bright, nice colour indicating Red Fife, which weighs 60 lbs. to the bushel, and will grade No. 1 Northern. We have other samples of the same class which will weigh 62 lbs. to the bushel, but having been out in a storm in the same field, or having been moistened by the dews, the colour is not so bright and the grade will be brought down to No. 2, lower by 2 or 3 cents, than the wheat which happened to be threshed before the storm. It is all in the colour there.

A. It is altogether probable in such a case that the sample having the greater weight per bushel is worth quite as much as the other in spite of its inferior appearance. But the milling difficulties may be greater in producing from it flour of equally fine colour, and flour, as I have already pointed out, is judged largely by colour.

Q. The flour that makes the best bread will soon get the market.

A. It ought to do so, but there is a strong prejudice in favour of very pale, bright looking flour.

By Mr. Schell (Oxford):

Q. Would flour that tests 100 according to your scale be worth 10 per cent more than flour that tests 90?

A. Not necessarily. On that scale 100 merely indicates that the flour is of remarkably high strength and 90 indicates a flour of good but not unusual strength. For general household purposes the flour grading 90 would be preferable to the other. In my opinion better bread can be made from some of the flours not remarkably high in strength, but such flours require the use of a little more care and judgment on the part of the baker.

Q. What would be the difference in value basing it upon nutritive qualities?

A. The strength would not necessarily have any relation whatever to nutritive qualities. Some highly nutritive flours are of very low strength.

Q. Do the weaker flours take up as much water when made into bread, as the stronger ones?

A. As a rule, they do not, I believe, but sometimes a flour shows very good ability to produce a large loaf of good form and texture when the water absorbing power of the flour is not high. Such flour can fairly be called strong even though deficient in one of the usual signs of strength.

By Senator Perley:

Q. How much water is there in a pound of bread?

A. 100 lbs. of strong flour will usually make about 140 lbs. of bread, but the exact amount will, of course vary greatly according to the circumstances.

By the Chairman:

Q. I was going to ask you if, from your experiments with Alberta Red wheat at Ottawa you would recommend the Ontario farmer to experiment with it?

A. Turkey Red wheat, which is the principal variety sold under the name of Alberta Red, is pretty well known in Ontario, but I think it should receive much more attention than it does at present. I believe that Ontario farmers would receive higher prices for their winter wheat if they were to grow Turkey Red instead of the more common sorts. It might not, however, give so large a crop as some of the poorer kinds.

By Mr. Schell (Oxford):

Q. Did you include any samples of Ontario wheat, west of Toronto, in your test?

A. I tested one grown near Hamilton. It was a very weak variety, suitable for biscuits and pastry, but not for bread.

Having examined the foregoing transcript of my evidence, I find it correct.

CHARLES E. SAUNDERS,
Cereal Experimentalist.

CANADIAN PRODUCTION AND EXPORT OF APPLES

HOUSE OF COMMONS,

COMMITTEE ROOM 34,

OTTAWA, WEDNESDAY, February 27, 1907.

The Select Standing Committee on Agriculture and Colonization met here this day at 11 o'clock a.m., Mr. McKenzie, Chairman, presiding.

The CHAIRMAN.—The witness who is before the committee to-day, is Mr. A. McNeill, Chief of the Fruit Division, of the Department of Agriculture, who proposes to furnish evidence on the present conditions of the Canadian apple trade under the following heads: (1) The Early Apple and its Markets; (2) By-products in Orchard-ing, and (3) Co-operative Sale Associations. I have much pleasure in introducing Mr. McNeill.

Mr. McNEILL.—Mr. Chairman and Gentlemen, the subject, as you will admit, is a somewhat wide one if we embrace the apple industry in its entirety. I have therefore deemed it wise to make the three headings mentioned for the purpose of economiz-ing in point of time. The Early Apple and By-products appear to me to be somewhat neglected and co-operative selling associations, I am persuaded, will furnish a remedy for very many evils that I wish to point out in connection with the first two headings.

1906 A SUCCESSFUL FRUIT SEASON.

Before taking up the subject proper, permit me to say this much with reference to the fruit trade in general. The season of 1906 has been a particularly successful one for fruit-growers—of both small and tree fruits. The crop has not been exception-ally large but prices have been such that it is doubtful whether in any previous year more money has been returned for the capital and labour invested.

APPLE EXPORTS FROM CANADA.

The apple trade is somewhat irregular. The exports from Canada depending as they do upon the crop here as well as in all other apple producing countries, must of necessity be a very varying quantity. I have here a tabulated statement of the apple exports from Canada for the years 1895 to 1906, inclusive, in which you will see there has been a gradual increase. Some years it has been a little more and other years a little less, but the constant tendency over the whole series of years has been towards an increase in the exports of apples from Canada.

TABLE SHOWING EXPORT OF APPLES FROM CANADA, 1895-1906, INCLUSIVE.

Fiscal Year.	Great Britain.	United States.	Other Countries.	Total.	Total Value.	Year Crop Grown.
	Brls.	Brls.	Brls.	Brls.	\$	
1895	751,232	86,841	15,195	853,268	1,821,463	1894
1896	504,680	54,062	8,440	567,182	1,416,470	1895
1897	1,579,272	54,348	30,850	1,664,470	2,502,968	1896
1898	418,181	7,933	17,304	439,418	1,306,681	1897
1899	972,125	81,204	21,379	1,075,068	2,621,352	1898
1900	896,935	29,529	29,994	956,458	2,578,233	1899
1901	643,945	12,502	22,204	678,651	1,482,927	1900
1902	490,338	17,162	8,715	516,215	1,566,808	1901
1903	973,805	6,064	20,659	1,000,528	2,758,724	1902
1904	1,513,744	14,899	69,971	1,598,614	4,590,793	1903
1905	986,222	16,784	34,142	1,037,148	2,627,467	1904
1906	1,029,418	44,051	144,095	1,217,564	4,083,482	1905

By Mr. Wright (Renfrew):

Q. Are those the statistics for the whole country ?

A. These are the statistics of the apple exports from Canada alone to Great Britain and to the United States, other countries being lumped. We export but a comparatively small quantity to other countries, although we did export of the product of 1905 to twenty-one different countries, as follows :—

TABLE SHOWING EXPORTS, TO COUNTRIES FOLLOWING, IN 1906.

Countries	APPLES, GREEN OR RIPE.	
	Quantity.	Value.
	Brls.	\$
Great Britain	1,029,418	3,475,825
Australia.....	156	1,176
Bermuda	1,066	2,987
British Africa	6,769	22,534
British Guiana.....	34	102
British West Indies.....	118	368
Fiji.....	26	214
Hong Kong.....	7	35
Newfoundland.....	11,095	32,690
New Zealand.....	73	455
Belgium	110	289
China.....	23	120
Cuba	767	3,114
Denmark	772	2,241
France	55,862	209,131
Germany.....	63,221	197,001
Holland	3,473	10,359
Mexico.....	204	774
St. Pierre	169	476
Norway	150	600
United States.....	44,051	122,991
Total.....	1,217,564	4,083,482

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While, therefore, the bulk of our fruit goes to Great Britain, nevertheless there is the germ of a wide export trade in the other twenty countries with whom we do business in apples.

EARLY APPLES.

It has been commonly assumed, since we have to compete in early apples with the fruit-growers of Great Britain, that if the growers there have a full crop, we cannot expect a large export trade. The following are the statistics of the apple exports from Canada to Great Britain by periods from 1901 to 1906-7, inclusive :—

EXPORT OF APPLES TO GREAT BRITAIN BY THREE AND SIX MONTH PERIODS, 1901-1907.

Year.	From July 1 to Sept. 30.	Per cent of Total Trade.	From Oct. 1 to Dec. 31.	Per cent of Total Trade.	From Jan. 1 to June 30.	Per cent of Total Trade.	Total for Year.
1901-2.....	14,909	2.9	302,045	58.5	199,440	38.6	516,394
1902-3.....	26,953	2.6	690,037	68.96	283,575	28.35	1,000,565
1903-4.....	61,507	3.85	1,053,293	65.9	483,861	30.25	1,598,661
1904-5.....	46,310	4.46	653,504	62.97	337,999	32.55	1,037,813
1905-6.....	16,707	1.37	912,331	74.93	288,567	23.7	1,217,605
1906-7.....	8,676	.....	617,991	.....	.....	.....	.....

You will notice that the first period takes in the very earliest apples we have. In 1901 the percentage of the trade, during those months, to the whole trade, was about $3\frac{1}{2}$ per cent. In 1902-03 it increased to nearly double as many barrels, but did not approach 3 per cent. In 1903-04 it approached to $4\frac{1}{2}$ per cent of the total trade and more than doubled the number of barrels of the preceding year. During the season 1904-05 the percentage to the total trade was nearly $4\frac{1}{2}$ per cent. In 1905-06 it fell to less than 2 per cent of the whole trade, and this season we exported only 8,676 barrels.

I bring this subject to your attention for the purpose of pointing out what I consider the causes for this decrease in the early apple trade compared with former years. We had every reason to expect that the fruit-growers of Canada would take advantage in increased numbers of the excellent transportation facilities fostered by the Department of Agriculture, so as to raise the percentage of that early apple trade to over 4 per cent of the total trade. Why did our exports drop this year to 8,676 barrels? Several causes contributed to the result. The fruit exporters were governed by the fruit crop reports and by the traditions of the past, to such an extent that they could not bring themselves to prepare for a business that their early experience had led them to believe was not profitable. The crop in Europe for 1902-03 and 1904-05 was below the average but the crop of 1906 was good. Consequently, there was no preparation made by Canadian exporters for this apple trade, although subsequent events showed that the prices in Great Britain were excellent for our early apples. You will notice that we sent in 1906, 8,676 barrels to the end of September.

By Mr. Lewis :

Q. All to England?

A. Practically all to England.

By Mr. Armstrong :

Q. You are speaking now of the export trade?

A. Of the export trade alone.

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By Mr. Lewis :

Q. Are there any others sent to the twenty countries that you spoke of ?

A. Very few of them took any of our early apples, I can say practically none.

EXPORTATION AFFECTED BY HOME CONSUMPTION

By Mr. Telford :

Q. Would one reason not be that there was an enormous quantity of early apples sent out to the Northwest ?

A. Yes. But the main reason, I believe, was want of confidence in the British market. The second reason was the one pointed out by Mr. Telford, the large quantity sent to the Northwest market, which is one of the markets that I wish to speak of. We have two principal long distance markets, Great Britain and the Northwest. The latter has furnished an outlet for a much larger proportion this year than ever before in the early apple trade.

By Mr. Armstrong :

Q. What is the reason for want of confidence in the British market ?

A. It is simply that peculiarity of human nature that cannot readily accommodate itself to new conditions. It is a profitable business, as the business of the last four years demonstrates, but the old apple operators, who still control a large share of the business, are handicapped by the traditions of the past. They do not appreciate that there is money in the early apple trade, that it is not hazardous to ship early apples. There is a feeling prevalent, notwithstanding the experience of the last four or five years, that our transportation facilities are defective on trans-Atlantic ships. That feeling, which we have great difficulty in combating, has led to this loss, for such I claim it is, in the trade with Great Britain in early apples.

Q. Just a moment on that. As I understand it, the transportation facilities in crossing the Atlantic have been sufficient to enable eastern shippers to ship early apples, yet many of them have met with serious losses ?

A. That is the point I wish to explain. As far as the steamships are concerned, shippers can do now what they could not do in the early days of the trade. They can ship with confidence to Great Britain this early and tender fruit and be reasonably sure that if the fruit is properly cared for till it gets on board the steamship, it will reach the markets on the other side in safety.

By Mr. Lalor :

Q. Was there less confidence in 1906 than in 1905 ?

A. There was less confidence in this way : that in 1904 the crop reports from Great Britain and Europe generally showed a very poor crop and the shippers here said, 'As there is a short crop on the other side we can ship with confidence of a good market.' But last year the fruit crop reports, as you will remember, indicated that there would be a full crop, as there certainly was in the European countries including England. Exporters did not believe we could compete with a full European crop ; nor have the shippers full confidence in the transportation facilities.

TRANSPORTATION AND IMPROVED FACILITIES ON BOARD STEAMSHIPS.

By Mr. Armstrong :

Q. Just a moment. If the transportation facilities on steamships were so much better in 1906 than in 1905, why the decrease in export ?

A. The improvement has been fairly regular and constant for the past six or seven years. I might say that confidence was not established in 1904, except among a few, although there were large shipments in that year. The confidence was in the short crop in Europe. That is what influenced the Canadian shippers, not their confidence in the steamship facilities.

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Q. I want to get definitely in my mind what you are aiming at. I would like to have some knowledge, if you are able to impart it to us, of the improvements in the transportation facilities on the steamships?

A. The question is quite pertinent right here. In the last six or seven years there has been established on board the steamships a system of cool air and cold storage chambers of which Mr. Ruddick gave you some account in his evidence last week. In that evidence you will find a full statement of the equipment of each steamship. That system was established primarily, no doubt, for the dairy interest but it worked in exactly with other interests, including the fruit industry. These facilities have improved during the last five, six or seven years, since cold chambers were introduced, to such an extent that now—and this is the point I want to emphasize and have you and the whole country know—a shipper can with confidence put his fruit on board ship, and be reasonably sure that it will reach the market in perfect safety if he has put it on board the steamer in proper condition.

By Mr. Smith (Wentworth):

Q. Why do you say that?

A. On account of the experience we have had during the last few years in watching the fruit as it goes on shipboard at Montreal, and getting reports back from our cargo inspectors in Great Britain on the same fruit.

By Mr. Armstrong:

Q. What guarantee has the government that such is the case?

A. They have the reports of the cargo inspectors on the other side, the reports of the buyers—the auctioneers and fruit brokers—who are always in communication with the Department of Agriculture.

By Mr. Smith (Wentworth):

Q. Would not a better test be, to know that the temperatures were the proper temperatures for the carrying of fruits?

A. The temperature after all is the chief consideration and that is an additional reason why we are so confident that the conditions are right. As you are aware, thermographs are placed in all the cold storage chambers and any man who looks at these thermograph records as we get them—steamer by steamer just as they are automatically recorded—can see that we have a most excellent steamship service for the transportation of our apple crop.

By Mr. Armstrong:

Q. I am afraid if you had examined a great many of those records as carefully as I had you would come to a different conclusion?

A. You will have to remember that these records need to be read with discrimination and with a knowledge of the previous history of the apples. I see the point you are aiming at. Some of the records show the temperature, for some days at least, as high as 50 or 60 per cent though the ideal temperature is not above 35 per cent.

Q. Yes.

A. That is easily explained.

By Mr. Smith (Wentworth):

Q. Excuse me, do not say 60 but say 38, for instance. It never got below 38 on one record. How do you explain that? Is that a proper temperature?

A. Thirty-eight would not be a bad temperature. I would not be at all afraid to ship in 38.

Q. Why not 32 or 33?

A. That would be a fair subject of inquiry, certainly, if a record of that kind came in. But supposing any steamship went across the ocean with a temperature of not less than 38 I would still say to those in the apple trade 'Ship with perfect confidence;

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a temperature of 38 will carry your fruit if you put it on board all right.' However, I wish to explain this perfectly proper question as to why some records show a higher temperature than 33. We have four fruit inspectors at Montreal during the shipping season, and their reports show that very frequently the fruit coming during the warm days in September and October is at a much higher temperature in the barrel than the outside temperature. We ask the inspectors to take the records of the barrels of fruit they examine; they open up the head of the barrel without disturbing it more than is absolutely necessary, insert the thermometer well into the apples so that the instrument shall be under the influence of the apples only, and then cover it up again. They thus take the temperature of the interior of the barrel or box; and it has been found on numerous occasions that while the outside temperature would not probably be more than 65, or it may be 60, the temperature of the apples would be anywhere from 70 to 85. In one case it was as high as 85.

Q. You are speaking of cold storage now?

A. Of the apples intended for cold chambers on shipboard?

Q. That go into cold storage on board ship?

A. In most cases at that early season they were for cold storage.

Q. In barrels?

A. In some cases.

By Mr. Armstrong:

Q. Not from iced cars at these high temperatures?

A. Not in iced cars except in a few cases. In some cases the fruit in refrigerator cars showed a high temperature as the result of insufficient icing or insufficient cooling of the fruit before shipment or both.

Q. What temperature was the highest temperature?

A. I cannot say exactly what was the highest temperature of fruit coming in iced cars without consulting the records. The high temperature that I mentioned a moment ago, 85 per cent, was not in an iced car.

BOXES VERSUS BARRELS FOR PACKING APPLES.

By Mr. Smith (Wentworth):

Q. Do not nearly all the apples that go into cold storage come in iced cars?

A. A large proportion.

Q. And do they not mostly come in boxes, not barrels?

A. I am sorry to say our shippers do not yet appreciate the box as they should. I think perhaps more than 60 per cent of the early apple trade is still in barrels.

Q. Without ventilating the barrels?

A. Without ventilating the barrels, a very grave mistake as I think you will agree. In some cases where the apples are at a high temperature they go into the cold storage room. You will readily understand that the cold storage room on board ship is not for the purpose of cooling hot fruit. Space is too expensive to use it for that purpose. Its proper use is to *keep cooled fruit cold*. So that if the fruit goes to the quay at Montreal at a temperature of 75 or 80 it is not in proper condition to go into the cold storage chamber, and I think it would only be fair to the good shippers if there was some regulation by which such fruit would be prevented from going into the ordinary cold storage room. Because shippers should learn, and I wish to emphasize this point, that they must prepare their fruit by cooling it before shipping, by seeing that it is placed in proper refrigerator cars, and kept in a proper condition by any other means at their command, so that it may reach the steamship at a temperature is low as can be secured in a refrigerator car.

By Mr. Lewis:

Q. You refer to boxes and barrels?

A. Yes.

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Q. There is no question that the boxes are preferable to the barrels ?

A. Boxes are altogether better for the early apple trade. Indeed they are almost essential.

By Mr. Chisholm (Huron):

Q. How much longer does it take to cool a barrel of apples than a box ?

A. From experiments made in United States—we have conducted no experiments ourselves—it takes nearly one week to cool the centre of a barrel of apples from 75 to 33, in a temperature of 33 degrees in the cold storage room. You can do the same with a box in about two days or less.

By Mr. Telford :

Q. Is that with the barrel headed up without ventilation ?

A. Yes.

By Mr. Smith (Wentworth):

Q. It will depend altogether upon the power of the cold storage machinery ?

A. The outside air was supposed to have been at 33 degrees all the time.

By Mr. Chisholm (Huron):

Q. The barrel took a week and the box only two days ?

A. Yes.

By Mr. Smith (Wentworth):

Q. Were these experiments made just for the purpose of comparison between the box and the barrel ?

A. Partly that, and partly for the reason that there had been no experiments up to that time to definitely solve the particular problem of how long it would take to cool the interior of a package of hot fruit.

By Mr. Armstrong :

Q. Do I understand you correctly, that apples that are shipped in refrigerator cars and those that are shipped on the ordinary cars reach Montreal and are placed in cold storage chambers under practically the same conditions ?

A. No distinction is made. One man ships fruit cared for in the best possible way reaching the quay at a temperature of 45. It is placed in a cold storage chamber during the voyage to Liverpool. Another man takes his fruit through in an ordinary car, and it may reach Montreal at a temperature of 75 or higher and it will be placed, if so directed, in the cold storage room, side by side with the fruit which has been properly taken care of.

By Mr. Derbyshire:

Q. And both be injured ?

A. The fruit that is in bad condition will injure the other fruit because it raises the temperature of the cold storage chamber.

By Mr. Smith (Wentworth):

Q. You mentioned that the shipper should have the apples delivered at the ship's side at the proper temperature, as nearly as possible that wanted in the cold storage chamber, say 35. How is he going to do that when there is no refrigerator car in the world which will reduce the temperature to anything like that ?

A. I do not wish to leave the impression that fruit can be delivered from a car at the ideal temperature. It would be sufficient if we could get it at the lowest temperature that is possible in the best refrigerator cars we have.

Q. That is from about 45 to 50 degrees ?

A. I think we can get it to 45 degrees possibly.

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Q. You suggest that a shipper should cool the fruit and then ship on the refrigerator car. I agree with you as to the refrigerator car but not to the cooling before shipping, which would probably take 48 hours in a cold storage compartment. This is just so much time wasted. The ship ought to be supplied with such refrigerating machinery that it could do that and save two days' time which is everything in the life of perishable fruit. If the ship's machinery is not sufficient for that purpose then it ought to be provided?

A. We must take an economic view of this matter. If the shippers of fruit insist upon using the steamship chamber for a cooling room, it will take more space for the carrying of the fruit than is needed now and shippers will have to pay a higher freight rate. Are you willing to do that?

Q. I do not think the increased space necessary?

A. I know of no other practical way than to separate the packages and lessen the quantity of fruit in the chamber. To place the packages close together and lower the temperature of the room would mean that the outside fruit would be frozen while the middle packages would be still warm.

Q. We are paying 60 per cent now on the ordinary fruit rate for this cold storage service, which is several times over what you would have to pay on land?

A. I hope you can impress that upon the steamship people.

Q. The ordinary charge for a barrel of apples is one and sixpence. For cold storage we pay two and sixpence?

COOLING OF APPLES BEFORE PLACING ON BOARD SHIP.

A. Granting the exorbitant cold storage rate, the point I want to make is this: that there are two possible methods of cooling the apples properly, one, cooling on board ship, the other cooling them before they leave the shipping station. The latter is the only practical method, because it is cheaper and more important still, it does the work at the right time. Space in a refrigerator car or a steamship cold storage chamber costs many times as much as the same space in an ordinary cold storage building. It is expensive to use this space on car or steamer. It is therefore economy to use the cheap space in cold storage buildings to cool the fruit, and then we can utilize all the space on car and ship for carrying the fruit. I prefer cooling before shipping, for the more important reason, that we can cool it at the ideal time, which is as soon as it is picked. We may lose a day at the beginning of the trip, but we add perhaps a week to the life of the fruit at the other end of the journey. Fruit that is allowed to pass even a few days before being cooled cannot be restored to good condition, no matter what treatment is given it. In New York state, cold storage managers refuse to take the responsibility for apples picked more than 24 hours before being stored.

Q. Put it in the refrigerator car where it is kept cool?

A. Again, I would point out that the refrigerator car is not a cooling room. You might of course half load the car and increase the bulk of ice or use salt tanks, but this will add greatly to the cost of the service.

By Mr. Armstrong:

Q. But how are you going to get the farmers to cool their apples?

A. This whole matter of early shipments of apples leads right back to the fact that we must have cold storage of some sort at the point of shipment for the best results.

By Mr. Smith (Wentworth):

Q. Do you think that for the farmers it would be practicable?

A. It is practicable to a certain extent for every farmer in the Dominion who can store ice.

Q. Do you think it is at all possible?

A. It is not so impossible as it would at first appear. I do not mean that an expensive system of cold storage is absolutely necessary. You have a most efficient

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cold storage at St. Catharines, have you not? Do you not think there are other points in Southern Ontario, for instance, where it would pay to put in a somewhat expensive plant such as they have at St. Catharines? In other places where there would not be business to justify mechanical refrigeration, a cheaper method might be adopted. I am not an expert on cold storage construction, although I have studied the subject of cold storage in its connection with fruit to the best of my ability. I am firmly of the opinion, from the consideration I have given to the matter, that there is possibly a satisfactory system of ice cooling rooms. Mr. Ruddick, in his capacity of Cold Storage Commissioner, will no doubt advise on this subject. Such a system will make it possible for groups of farmers to have cold storage available for the products of their orchards.

Q. You know we had one at Grimsby?

A. Yes.

A. And much of this tender fruit that we experimented with a few years ago went through and arrived in a rotten condition?

A. Perfectly true; but I am prepared to say that the fruit did not go into cold storage in proper condition and was not properly taken care of when it was there.

Q. It took a certain amount of time to get those fruits in the cold storage chamber to a low temperature. It was then put into a refrigerator car and taken to Montreal. There were two days wasted in the cold storage chamber?

A. Not exactly wasted if the fruits had been properly attended to.

Q. It did not bring them lower than the temperature of the car?

A. Let me put the facts another way. Much of that fruit that went into the cold storage room was totally unfit for the purpose for which it was sent—for shipment to Great Britain. Under no circumstances whatever should it have been allowed to go into any cold storage room. Furthermore the rooms were not always properly taken care of. This vitiated that experiment. In extenuation, let me say these shipments were made years ago when cold storage for fruit was new.

By Mr. Armstrong:

Q. Were the rooms under government control?

A. Those who supplied the fruit and had charge of the cooling room were not government officials.

By Mr. Telford:

Q. How long would it take in a cold storage compartment to reduce fruit to 40°?

A. As individual fruits, not long.

Q. Well, in barrels?

A. It would take a week or longer if the fruit was at a temperature of 75 degrees when packed, but in practice the fruit would be cooled before packing or small ventilated packages would be used.

By Mr. Gordon:

Q. Would it be practicable to have different chambers on board ship for fruit shipped in different temperatures? For example, an extreme temperature for hot fruit, a medium temperature for fruit shipped in a reasonably warm condition and so on?

A. It would be impracticable.

By Mr. Smith (Wentworth):

Q. Would that be necessary?

A. That would not be necessary. If you want to cool fruit rapidly the only way is by ventilation. If you take four boxes of apples packed closely together, as they are packed for cargo where I suppose space is extremely valuable, they cannot be cooled as quickly as if they were spread out in double the space where there would be a free circulation of cold air on all sides.

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By Mr. Gordon:

Q. The secret of success is putting the fruit into cold storage in proper condition and following it up.

A. Yes.

By Mr. Smith (Wentworth):

Q. How do you account for the failure of the shipment of California peaches and plums?

A. By the failure of the California shippers or the railway companies to deliver the fruit in good order at Montreal.

Q. It came out of refrigerator cars and nothing else?

A. Quite possible.

Q. Do you mean to say the California plums were not in good condition?

A. I know of cases where refrigerator cars have arrived in Montreal without ice, in which case they are worse than open box cars. The mere fact that the fruit came in refrigerator cars, without other evidence, is not conclusive.

Q. Nevertheless, the fruit came in boxes and not in barrels, and the temperature was from 38 to 40 degrees?

A. If this can be shown, I quite agree with you that all such cases ought to be investigated, and, where the steamship companies are to blame, they should be proceeded against with the utmost rigour.

By Mr. Armstrong:

Q. How would you begin to proceed against them?

A. It is not for me to open that question. Would you not be likely to get better advice from one whose business it is to study and pronounce upon contracts and agreements?

Q. Taking into consideration prices and the difference in distance what is the best market for native early fruits, the Northwest or England?

A. That is purely a question of individuals. Last year the net returns were just about even. Those shippers who were used to shipping, and had good commercial connections, with Great Britain, probably made as much, if not more money than those who shipped to the Northwest. Those who shipped to the Northwest and had good connections and handled their fruit properly, made a very excellent return indeed. I would mention in this connection the experience of the St. Catharines Cold Storage and Forwarding Company, a fruit company formed on the co-operative plan, which realized very satisfactory returns on shipments to the Northwest.

QUANTITY AND VALUE OF SHIPMENTS FROM MONTREAL.

By Mr. Black:

Q. From memory can you say what is the value of apples shipped from Montreal to the British market?

A. In 1906-7 about 400,000 barrels and 50,000 boxes were shipped from Montreal, valued at about one million and a quarter dollars.

STAGE OF GROWTH FOR PICKING EARLY APPLES.

By Mr. Lewis:

Q. Is not the time that the early fruit is picked an important consideration?

A. Decidedly so, the apple must be picked at the right moment for the best results.

Q. What information can you give us as to that?

Q. I would recommend that the apples be picked, not too green, but just when matured, the maturity being shown by having very nearly but not quite its full colour, the seeds being nearly all brown. That is the nearest mechanical rule that I can give you. But a man getting among the fruit and living with it will soon learn to know

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just the stage at which to pick the early fruit. I might say further that the early fruit requires to be picked at frequent intervals ; you cannot pick early fruit all in one picking as you may winter fruit.

By Mr. Chisholm (Huron):

Q. If we can get mechanical refrigeration on the cars could we not cool the fruit while it would be in transit ?

A. That is a technical question upon which I would not care to express an opinion.

THE WEAK POINT IN TRANSPORTATION.

I can at least make this statement : that the weakest point in the transportation question as regards fruit, is the refrigerator car service. It is only within the last year that there has been any supervision by competent men of fruit upon refrigerator cars from the beginning of the journey to the end. The facts brought to light show that the refrigerator car service is in the hands of men who have never made a study of the special needs of the patrons they are supposed to serve, and who are careless in the performance of routine duties, such as repairing cars, icing them properly and moving them properly at divisional points. It is the weakest link in the transportation chain.

HANDLING OF APPLES ON ARRIVAL IN GREAT BRITAIN.

By Mr. Armstrong :

Q. Who takes care of the fruit when it arrives on the docks in England ?

A. It is taken as quickly as possible to the selling warerooms. There is no cold storage, and I do not know that it is desirable there should be. It goes into the ordinary temperature of the English climate, which, if the apples have been properly handled is perhaps about the best that could be done for them. They are sold immediately and pass into consumption. I would not recommend the holding of this fruit in cold storage rooms on the other side, but it should pass as quickly as possible to the salesroom and to the consumer.

Q. How quickly is it passed ?

A. Usually it is sold the second day, and not often later than the third day. It lands to-day and is sold to-morrow. Sometimes it is even sold on the same day that it arrives, and the third day it is sure to be sold.

By Mr. Chisholm (Huron) :

Q. Another point to be emphasized is that the germ of future trouble is contained in the fruit before it is taken off the tree at all. The farmers do not understand that ?

CANADIAN COMPETITION WITH THE HOME GROWERS OF GREAT BRITAIN.

A. That emphasizes what has been said here, the time of picking should be carefully considered.

Now, Gentlemen, I have emphasized the necessity of taking proper care of this early fruit from the tree to the steamship. I want to emphasize one other point, that is, that we can successfully compete with the English apple-grower on his own ground. I want to make this statement with emphasis, because it is not commonly believed. We all know it can be done in the case of winter apples. I wish to assert that the Canadian grower can compete successfully with the English apple-grower in early apples, and sell side by side with the latter in the markets of Great Britain, and secure a profit.

CHARACTERISTICS OF THE BRITISH HOME GROWERS.

Do not mistake me, I believe that the fruit-growers of Great Britain can be sharply divided into two classes ; what you might call the professional fruit-growers

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and gardeners, who are undoubtedly ahead of any class of the same sort we have in Canada. But the rank and file of the English fruit-growers are not equal to the rank and file of our fruit-growers here. The English growers have too many varieties; they have a dozen where we have one. The average English grower does not understand the treatment of insects and fungous diseases as well as the Canadian growers, and he has more of them to contend with. He does not practice uniformity in grading and packing to the same extent as our fruit-growers. The English land tenure also discourages extensive orchard planting.

By Mr. Lewis :

Q. You spoke of the rank and file, meaning the commercial growers; the other class are not commercial growers?

A. That is so for the most part. They are usually in the employ of gentlemen, but are sometimes employed by extensive commercial growers.

Q. They do not come into competition at all?

A. Except in a few cases when they grow a fancy article which then gets a fancy price.

CANADA'S ADVANTAGES FOR EARLY SHIPMENT OF APPLES.

By Mr. Finlayson :

Q. What apple do you think is the best for early shipment?

A. We have a great advantage on account of the fact that we grow Red Astrachan, Duchess of Oldenburg, Wealthy, Gravenstein, Colbert and Jennettings in large quantities and over a wide area of different climatic conditions.

Let me point out our advantage by using the Duchess of Oldenburg as an example. We can commence to ship this apple from Essex county quite early. I picked it last year on the second day of August, from my own trees, in good condition to ship. Later on, about the middle of August, it can be shipped from north of Lake Ontario; further down the St. Lawrence about the last of August; from the Eastern Townships still later. In the valley of the St. John river, New Brunswick, it is a favourite apple grown in large quantities. It is grown to perfection there, and the keeping quality is much better than in Ontario. They can ship the variety well in barrels until the first of October or later. Thus you see we can ship the Duchess in good condition, and in large quantities, for two months or more. This gains for us the good will of the large brokers, the auction-room man, and the large merchants, when they can get one variety of apple during a long period, packed and graded in the same way or nearly so.

By Mr. Lewis :

Q. The Duchess is a Russian apple, is it not?

A. Yes.

By Mr. Finlayson :

Q. How about Northern Spies?

A. They are splendid winter apples and growing in favour.

By Mr. Sinclair :

Q. Is the Gravenstein falling off in the province of Nova Scotia?

A. It is not being planted as it should be, but I think there will be a revival in the near future when growers learn to top-graft it upon hardy stock. The tree has shown signs of weakness—collar rot and canker. It has made the reputation of the Annapolis Valley, and I believe it will be a favourite with growers again when they learn to overcome the defects of the tree.

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By Mr. Black :

Q. They are dying very rapidly from collar rot ?

A. It is indeed a serious condition of affairs.

The English grower has other disadvantages, in addition to land tenure and burdensome taxation. The transportation difficulties are quite as great as ours. He has foreign competition at all seasons and in all varieties of fruit. There is lack of organization and no active government aid such as we have here ; the labour question is just as serious for them as it is for us, only in a slightly different way ; they have not the same freedom with reference to market privileges that we have ; and they have some difficulties which we have not here at all. For instance, birds are the Canadian orchardists' greatest friends, but several species in England are grievous pests.

By Mr. Sinclair :

Q. Does the agricultural labour demand the same wages in England as in Canada ?

A. No, but relatively the labour difficulties are quite as great there as here.

By Mr. Black :

Q. Is the English sparrow considered destructive to the apple crops ?

A. Not in Canada.

By Mr. Blain :

Q. How was the crop of apples in Ontario last year ?

A. A little above the average crop on the whole, but below the average in some sections growing the best winter fruit.

The other important market for our early fruit, the Northwest, is growing rapidly, and it is impossible to think of any conditions that will not make it a permanent one for our early fruit. The preparation and care of the fruit for this market does not differ in any respect from that required for the English market, but we are obliged to depend upon land transportation, which, I am sorry to say, is not so satisfactory as the steamship journey. Nevertheless, we have every confidence that the service will improve as the trade becomes larger, if the fruit growers continue to bring pressure to bear upon the transportation companies. Even this year Ontario fruit shippers were able to ship tomatoes successfully as far west as Calgary. When such a service can be counted upon to deliver the fruit with perfect regularity and at a reasonable freight rate, it is difficult to believe that the apple growers of Canada will soon overtake the demand for early apples in the Northwest.

ORCHARD BY-PRODUCTS.

May I now direct your attention to some of the orchard by-products. The statistics of Ontario show that there were grown last year in Ontario somewhere in the neighbourhood of 12,000,000 barrels of apples.

By Mr. Armstrong :

Q. Are those the Ontario statistics ?

A. The Ontario statistics ; they are the only provincial statistics available. That is an estimate, remember, that has been made for a number of years, and has been checked once in its details with the Dominion census with which it agreed so well that we can take it as fairly accurate.

UTILIZATION OF ORCHARD BY-PRODUCTS—PRESENT HEAVY LOSS.

We export from the whole Dominion less than a million and a half barrels. Supposing that two millions more go into evaporated apples, jam, jellies, cider and things of that sort, and allowing two or three million barrels more for local consumption, it still leaves five or six million barrels of apples unaccounted for, if these figures are at all correct, and I believe they are.

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By Mr. Black :

Q. Do they not feed a lot of domestic apples ?

A. I think they do. I believe there is a very large quantity of this fruit that is fed to stock. It is worth for that purpose about the same as mangolds or turnips, eight or ten cents a bushel or somewhat less, so that I would consider that practically a waste. A great many are allowed to rot. I merely point out this fact to show that there is ample material here for an enormous trade if we would work up this surplus and low grade fruit into something that is useful. This is the raw material for cider, jams, jellies, evaporated fruits and things of that sort. Let me point out in this connection the relation between evaporated fruits and our green fruits.

From Canada last year there was exported three and a half million pounds of evaporated apples with a value of \$212,000. Now we exported green fruit to the value of over \$4,000,000. Let us turn to the United States. That country in the same year exported of green apples just about the same amount that we did ; but when we come to evaporated stock the United States shipped 27,852,831 pounds of the value of \$2,044,820.

Q. That would not be exclusively apples ?

A. Exclusively apples.

Q. No pears or peaches ?

A. Pears and peaches are excluded. We export nearly as many green apples as they do, but they sell five times as many evaporated apples as we do.

By Mr. Lewis :

Q. Have you any idea how their prices compare with ours ?

A. We can furnish the raw material just as cheaply as they can. We have to compete directly with them in green fruit, and the inference is fair that we could compete with them in furnishing the material for evaporated apples on even terms.

By Mr. Lalor :

Q. Where is the market for this ?

A. The markets are, of course, the countries of Europe, in some of which it is but fair to say we do not have an equal chance.

By Mr. Armstrong :

Q. Why have we not an equal chance ?

A. The fact is that Germany, the largest market for evaporated fruits, is closed against us by a high tariff.

Q. How much does the United States ship to Germany ?

A. About 50 per cent of their evaporated fruit goes to Germany. In 1905, 19 millions out of a total export of 39 million pounds went there.

Q. Is the waste in the apple trade you spoke of, not attributable to the scarcity of farm labour ?

A. That is one cause, but no one cause will account for all.

By Mr. Blain :

Q. Are we to understand that 6,000,000 barrels in the province of Ontario go to waste every year ?

A. Including what is fed to stock.

Q. I heard that statement challenged the other day by a fruit man who said the figures were very much exaggerated ?

Q. I have thought that perhaps there might be a mistake, and for a number of years I have looked very carefully into the figures, and have discussed the question with the official at Toronto who has charge of these statistics, and, after examining his method of estimating, I am bound to say I cannot see where he has made a mistake.

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By Mr. Sinclair :

Q. How does he estimate the whole consumption ?

A. He does not estimate the whole consumption but just the production.

Q. When you speak of barrels going to waste you must estimate the whole consumption ?

Q. That is my estimate. I allowed two or three million barrels out of the whole for local consumption. It is a loose statement, but accurate enough to cover the case.

Q. You allowed a couple of barrels a piece ?

A. I think two barrels to the family would be a fair estimate.

By Mr. Lewis :

Q. Have you any estimate of what is sold to the retailer in Canada for home consumption ?

A. I cannot make it much over three million barrels.

THE MANUFACTURE OF JAMS AND JELLIES.

By Mr. Armstrong :

Q. What is the total production of apples in Canada ?

A. Ontario produced about two-thirds of the apple crop. It is probably about sixteen million barrels, with an average crop. I think that is rather an over estimate than an under estimate. I merely mention this to impress the fact upon you that we have the material for a large trade in the by-products. I do not wish to dwell on the question of jams and jellies further than to say that it struck me as a most curious fact that we are importing from Great Britain \$758,000 worth of jams and jellies.

By Mr. Lewis :

Q. Made out of apples ?

A. No. English jams and jellies are made out of all kinds of fruit, but mostly from plums, strawberries and raspberries.

By Mr. Schell (Oxford):

Q. Are there no apples in that ?

A. Very few that are acknowledged.

Q. They use only fruit we could raise here ?

A. Yes. Nevertheless, we import largely. I noted it in order to show there is room even at home for our by-products.

By Mr. Lewis :

Q. Have you any estimate of the jams and jellies they make in Ontario ?

A. No, I have not. It is very difficult to get statistics on that point.

Q. Are there any factories making jams and jellies that you know of in this country ?

A. Yes, a large number.

Q. Do they pay ?

Q. I have no doubt of it, but there is room for more.

Q. How do they compare with the evaporated apples in returns ?

A. The export trade is not large in jams and jellies. There are four principal items that go to make up the cost of jams and jellies, viz. :

(1) Containers (cans, jars, glasses, &c.)

(2) Sugar.

(3) Labour.

(4) Fruit.

Fruit is really the least important of the four as an economic factor. What is important is the high price of the container, that is the glass, crockeryware, and, I

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may add, the tin cans. They can be got so much cheaper in Great Britain than in this country that the makers of jams and jellies in the two countries are hardly on equal terms. Then again sugar and labour are much cheaper in Great Britain. Our manufacturers are heavily handicapped on these items. But as far as the fruit is concerned we have it in abundance, and can compete with any nation on the face of the earth in that.

MANUFACTURE OF CIDER FROM ORCHARD BY-PRODUCT.

The question of cider as an orchard by-product is an extremely interesting one. In France, Germany and in England, people are making and drinking much larger quantities of cider than they ever did before. It is replacing distilled liquors, and to some extent wine. They are exercising more care too in the manufacture of it, and yet cannot make enough to meet the demand. To show that there is a market for cider, I would just like to read to you an extract from a report of the Trade and Commerce Department, one of many that could be cited from different sources.

By Mr. Telford :

Q. What is the date of that report ?

A. This is Report No. 141, October 8, 1905, by the Canadian Commercial Agent at Birmingham, Mr. P. D. Ball. He says :—

‘As the season draws on for cider making I would again call the attention of our cider makers to the large export trade which can be done with this country. In my district only one Canadian firm seems to have thoroughly gone into the matter, and with the exception of a few barrels which became ropery the trade has been a thoroughly satisfactory one, at least so far as the quality of the article and the sale are concerned. Canadian cider has made a good name.

‘I have a number of inquiries for cider and I have from time to time given the names of the people who have written to me desirous of opening up trade. There seems to be a very good opportunity for opening up further business. There must be a large quantity of apples in Canada that would not pay to export, but which are good for cider making.

‘Certain districts in Great Britain are celebrated for their cider, and are going into the manufacture much more scientifically than heretofore, being much assisted by investigations made by agricultural societies (I made a report on this subject, published in the *Weekly Report* of October 30, 1905), but they cannot supply anything like the demand which seems to become greater every year. In talking with cider makers and dealers I find that Great Britain cannot now supply the demand with their own apples, and though the makers have imported from Canada and other countries apples in bulk, this is not a very satisfactory way for several reasons.’

The demand for cider certainly exists, but we are not able to meet that demand although we have the raw material in abundance.

By Mr. Lewis :

Q. Is it not a fact that the Canadian apple is much preferable for cider to the English apple ?

A. I wish I could say so.

Q. It is generally understood so ?

A. Our dessert apples do not produce the high class cider that is made from French and English apples grown especially for that purpose, but our apples make, nevertheless, a most excellent cider.

Q. Are not our varieties stronger and better than theirs for cider purposes ?

A. There are four elements that go to make up a good cider apple, the sugar, the tanning, the mucilage and the acids. What our apples lack is the tannin, that is, the astringent element which would be very objectionable in a dessert apple but important for cider. The apples grown in European countries, specially for cider purposes, have

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that element and also perhaps a certain aroma deficient in our apples, but which are especially required for the manufactory of the best class of cider. Nevertheless, our apples are so good for cider that we need not fear for quality.

By Mr. Sinclair :

Q. Are we exporting any cider now ?

A. Only \$9,000 worth last year. There are only two or three firms exporting in a small way.

By Mr. Black :

Q. What would they want the cider in, in bulk, glass, wood or how ?

A. They would like if possible to get the green fruit, but that has been tried for a number of years and found to be impracticable.

The next best way is cider in bulk. They would like to get the cider manufactured here with the same care that is given to the manufactory of wine. That is what we have got to do if we are going to secure this trade and keep it. We would then have to ship the cider, under certain precautions, in wood, because this cider for the most part would not go directly into consumption. Our cider would be used to blend with the English ciders that were perhaps too pronounced in some features. Our cider being of a different quality, a skilled cider maker would have no difficulty in blending it successfully with the English make. This is not in the nature of an adulteration, it is a question of scientific and systematic blending of two ciders of different characters, the resultant blend being better than either one of the ciders that formed the blend. Blending is also an essential operation, as you know, in the wine trade.

By Mr. Chisholm (Huron):

Q. Do they blend cider with wine in any case ?

A. I have no knowledge that they do.

By Mr. Lewis :

Q. Do they make champagne of our dried apples and send it back to us ?

A. That has been reported, but I have no proof that such is the case. However, I am free to admit this, that I have tasted effervescent cider manufactured wholly from apples and I could not tell it from champagne, but I confess at once that I am far from being an expert in wines, and especially champagne.

By Mr. Pickup :

Q. We are shipping a good deal of evaporated chopped apples. Are these not used in the manufacture of champagne ?

A. I have no reason to believe they go into the manufacture of champagne. I believe that the greater part of the chopped apples exported go to make a cheap grade of cider used by labourers and mechanics in France and to a less extent in Germany. They make of this a cider containing two or three per cent of alcohol that is very popular and is sold cheap to workingmen, who drink it instead of the more expensive domestic high grade cider. French cider, made from special cider apples, is a beverage that is classed with high-priced wine.

By Mr. Armstrong :

Q. A few years ago we used to ship quantities of apple cores and refuse to Germany but that market is practically closed to us now. Is there not a valuable market in Germany for the green apple and its by-products ?

A. Certainly Germany would be a most excellent market for the Canadian apple, evaporated or green.

Q. Can you give us any knowledge of the prices as compared with Britain ?

A. Not further than to say that those who have formed good connections in Ger-

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many consider prices slightly better than in Great Britain, but that may be because it is not so well supplied. Germany took 13,796 barrels of green apples of the crop of 1904 and 63,221 of the crop of 1905.

Q. There would also be a market for cider there, would there not?

A. Certainly, if we had the proper stock to meet the demand.

By Mr. Pickup :

Q. Do they not ship Belgium apples to London?

A. Not in large quantities. They grow plums and small fruit more largely.

CIDER MAKING IN CANADA.

We sent out a large number of schedules asking the cider makers for information with reference to their industry. We ascertained that there are at least two hundred people who are manufacturing cider in Canada, but of this number probably not more than five per cent manufacture for other than local use. One correspondent says that the government should experiment with the evaporation of apples and with the making of cider and cider vinegar to use up the varieties that are now going to waste. Another correspondent from Leamington, Ontario, formerly a heavy apple producing district, says, 'Nearly all the apples dropped off the trees from heavy wind storms, and what we sold went for 20 to 40 cents per hundred pounds.' That is an unfortunate state of affairs. Wind storms, fungous diseases, San José scale and other insects and want of labour, have prevented a lot of this material from going as shipping fruit.

By Mr. Chisholm (Huron):

Q. If the apples were plucked or gathered at the right time the wind would not be so liable to do damage?

A. Even with the best of care, wind storms spring up a few days before the apples should be picked, and the result is very serious. It is very hard to provide against that.

By Mr. Black :

Q. Have you any reports from Nova Scotia as to cider making?

A. Yes, there is some cider making carried on there but not in large quantities.

Q. What would you call a large quantity?

A. Quantities sufficient to justify looking for long distance customers. The question was put in this way: What proportion of your cider do you sell—

(1) Locally?

(2) To other Canadian markets?

(3) For export?

In all cases but one, in Nova Scotia, they sold simply locally. Many said they manufactured only for customers who brought their apples to them.

By Mr. Pickup :

Q. Can those apples be grown here that make the fine English cider?

A. We can grow them to perfection but we can make more money by growing and shipping good cooking and dessert apples.

Q. The same fruit can be grown here just as well?

A. Perhaps better.

By Mr. Armstrong :

Q. Can good cider be made of our waste apples?

A. An apple may be small, off colour, affected with scab or ink spot, have the skin slightly bruised or even broken, be slightly frosted and overripe for shipping and yet make good cider. Such apples could not be placed on the market at all and yet properly handled, yield a return only slightly less than shipping grades. Three qualities the cider apple must have :

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- (1) It must be clean.
- (2) It must not be affected with rots or moulds.
- (3) It must be ripe.

Q. At what price per gallon is cider sold ?

A. The average was from eight to twelve cents per gallon, as it came from the press.

Q. What is the price they would receive in England ?

A. The \$9,000 worth that we shipped had an export value of about sixteen cents per gallon.

By Mr. Lewis :

Q. With cider at eight cents per gallon in Canada, and fruit for evaporating at from 35 to 40 cents per hundred pounds, which would pay the grower the better ?

A. I think the evaporated fruit would pay better, but we could get more than the figure I have mentioned for well-made cider. That is only the price paid for a raw article ; it is not a finished product. Besides, the cider industry, if once properly established, would not fluctuate in price as much as evaporated apples, and would also make use of a certain grade of stock to more advantage than in any other way.

By Mr. Black :

Q. Could the remaining apple pomace be made into denatured alcohol ?

A. Yes. The pomace after the first run is take noff could be fermented again, and would yield alcohol in paying quantities. In all probability it would be even more profitable to turn it into vinegar.

CARE AND SKILL NECESSARY IN CIDER MANUFACTURE.

I sincerely trust that I have not left the impression that cider making is a simple process that can be taken up by every farmer who has a few waste apples. Such is not the case. To make cider such as could be exported with profit or recommended for domestic use demands even greater care and skill than the making of butter and cheese. Indeed, the object I have in view, in bringing this subject before you in some detail, is to impress the need of some special instruction and demonstration in cider making before we can hope to have even the beginning of a cider trade. It will require some such propaganda as is supported in the various provinces for the improvement of dairy products (together with what help can be judiciously given by the Dominion government) to put cider making on a commercial basis. But once established, I have no doubt whatever about the important place it would take in our exports. France, Germany and England have increasing demands for cider which they cannot meet. It is true that the United States is catering to a slight extent to the trade, but we are even more favourably situated than the American growers for this trade (except in the matter of freight rates), and can win out, if we proceed intelligently to put cider making on a proper basis.

UNFERMENTED APPLE JUICE.

May I point out, just here, that there is a keen home demand for unfermented apple juice, that could be met with little difficulty by apple growers, if they knew how simple the process is. To press out the juice, filter, pasteurize and bottle requires only a very modest plant, with an investment not beyond any small group of growers. I am sorry to say that some brands of this now on the market in Canada are adulterated by the use of preservatives. Preservatives are quite unnecessary, and can be detected in a general way by exposing a quantity of it to the air at the ordinary temperature of the living room. If it ferments within two or three days in all probability no preservative has been used ; if it remains sound for four or five days or longer, preservatives may be suspected, and a specimen should be sent to a chemist for analysis before such brands are used in large quantities.

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CO-OPERATION IN THE UTILIZATION OF ORCHARD BY-PRODUCTS.

Turning now to another subject, permit me to say that before we can utilize these waste products—for cider making, canning or jelly making—we will have to secure two things among our fruit-growers : first, a broader education, a diffusion of more knowledge of fruit-growing. Few of our Canadian apple-growers are well posted in fruit-growing ; they are farmers with apple growing as a side line. We would like to see more educational work done to still further improve the returns from this most remunerative branch of mixed farming. Second, we want organization. This is where co-operation comes in.

By Mr. Pickup :

Q. Organization in the selling of products ?

A. Yes, and where possible in other features. I am pleased to report in this connection that we have now about 35 co-operative associations that are doing good work throughout Canada. There are 25 of these associations in Ontario doing excellent work, so that the co-operative movement has now a secure hold, after some years of preliminary work by a number of public spirited men who are interested in the subject. There is likely to be a very large increase in the number of societies in the next few years. These societies secure for themselves many benefits. I am not going to enlarge upon these further than to draw your attention to the more important, as follows :—

(1) Uniformity of packing and grading.

It would be impossible to do a profitable trade with Great Britain in early apples without this. Co-operation is the only method that will place large quantities of the same variety uniformly packed and graded on the market in one line.

(2) The adoption of the most economical method of picking and packing.

The itinerant buyer cannot afford to handle early apples. He cannot pick all at one visit and it is too expensive to move his gangs frequently from orchard to orchard. Again, his methods are too slow to meet the needs of the early apple. It must be moved promptly and with care. This the ordinary apple buyer cannot do. Hence, I look for no great increase in the early apple trade except among the larger growers and co-operative associations.

(3) To secure the picking, packing and shipping of each apple at its best.

The conditions noted in the last paragraph operate in the case of varieties. The early apples come on so rapidly that frequent picking is a necessity.

(4) The manufacture or wholesale purchase of packages such as barrels, baskets and boxes.

The reputation of the itinerant apple buyer is not good with the coopers. These buyers usually have no security that can be attached nor do they manage their business so that the number of barrels they will need can be calculated. The result is that coopers, as a rule, will not make barrels without definite orders and a deposit, and this the buyers will not give till their purchases are sure, usually late in the season, the price, therefore, is high and the supply by no means sure.

Co-operative associations are able early in the season to calculate their probable needs and even if they over-estimate, the consequence is not serious, as they can store conveniently and safely which cannot be done by the ordinary buyer. Many of the associations make their own barrels, and are thus able to lower the price and furnish work in winter for men skilled in summer work. In one instance, this year, outside growers and buyers were paying 40 cents for barrels ; the same quality cost the co-operative association 28 cents. Presuming that there are four million apple barrels used each year in Canada, this difference would represent the very respectable sum of \$480,000. It is quite certain that at least half this sum is wasted every year on apple packages for want of proper organization.

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(5) The placing of the purely commercial part of the industry in the hands of competent men whose interests are directly coincident with those of the other members of the association.

ORGANIZATION OF CO-OPERATIVE ASSOCIATIONS.

That is to say 60 members unite, as in the association at Forest, and they place the selling of their fruit practically in the hands of a manager, a gentleman who has had some experience in commercial affairs, and is perhaps above the average farmer in his ability to make sales. He, with the co-operation of course of those who can help him, undertakes to sell the fruit of the whole 60 members, so that even the poorest of the members in point of commercial enterprise has the advantage of the best commercial head there is among the whole number. You see the advantage of this. I need not point out that many items of expense in selling are only slightly more for the whole 60 members than for one or two of them.

(6) To stimulate to the greatest possible degree interest in the improvement of the industry among the less progressive fruit-growers.

The only sure foundation for any permanent industry is the excellence of the product. Under the present system of apple selling there is no personal and individual pressure brought to bear upon the less progressive growers, to stimulate them to better work. The itinerant buyer has no motive, as he is never sure of buying the same orchard twice. The more progressive grower has no great incentive, as the poor quality of a neighbour's orchard has only a remote effect on his product. But all this is changed under the co-operative method. The manager's reputation and the reputation of the association is affected by the poorer product. Hence every member of the association, as well as the manager, is financially interested in having the products of every member's orchard of the very best quality. The less progressive growers thus have the active aid of the best growers, and are instructed and stimulated to do much better work than they otherwise would do.

(7) To promote the sale of fruit at the point of shipment.

The St. Catharines Cold Storage and Forwarding Company, in 1906, sold 463 cars of fruit, distributed to various points in the Northwest, Manitoba and the provinces of Ontario and Quebec, nearly all of which were sold before leaving the point of shipment. This would have been impossible if the growers sold individually.

(8) The utilization of surplus and non-shipping grades of fruit.

The fact that this surplus can be easily and regularly accumulated from year to year simplifies the problem of evaporators, cider presses, jam and jelly making. Not only will there be a profit from these by-products but there will be a tendency to improve greatly the shipping grades of fruit. There is little temptation to ship poor grades of green fruit when these lower grades can be turned into good grades of preserved fruit at a fair profit.

I have said enough I think to convince you that it is of the utmost importance to organize the apple-growers in co-operative associations. The effect will be far reaching. Co-operation is needed in other farm industries as well as in apple growing, yet the need is perhaps more evident to the average man in this industry than in others. If then, we can promote co-operation in this line successfully we pave the way for co-operation in other lines. We may thus gradually break down that extreme individualistic sentiment so prevalent among farmers and so detrimental to the co-operative movement and the farmers' best interests.

In closing, permit me to say that I believe this question of orcharding is one that will appeal alike to the economist and to the patriot, if they are not one. Upon the purely money side, it can be confidently asserted that no branch of mixed farming is to-day paying better, or supplements more fully other lines of work. This, however, is not its highest recommendation. The student of social problems will find in orchard-

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ing and horticultural pursuits generally, a partial relief at least from some of the gravest disabilities under which modern society is labouring. Looking towards the cities and manufacturing centres, he is confronted with the awful horrors of the tenement houses and the slums ; looking towards the cattle ranches and large grain farms of the west he sees an isolation scarcely less to be dreaded. In fruit-growing we strike the happy medium. I hope to see the time when there will be ten acres of orchard on every farm in the fruit-growing belt. This will mean for every such orchard an additional family, happily located with congenial and healthful employment, where they can breathe pure air and enjoy the blessing of sunshine.

By Mr. Black :

Q. Do you mean that a ten-acre orchard is sufficient to maintain a family ?

A. Just so. If I were to plant a ten-acre orchard, with all the incidents that go with it, I would consider a house to accommodate a man and his family a necessary adjunct to that orchard.

Q. I am sure that you are right.

A. It is in surroundings such as these, where there is the greatest possible diversity of wholesome labour of head and hand to develop and train every power and faculty of body and mind that we must look for the cradle of the race to whom we would willingly consign the destinies of Canada. I, therefore, most earnestly commend this industry to your careful consideration for its social advantages in nation-building as well as for its economic value.

Having examined the preceding transcript of my evidence, I find it correct.

A. McNEILL,

Chief of Fruit Division, Department of Agriculture.

ORCHARD PESTS, INSECTICIDES, FARM WEEDS.

HOUSE OF COMMONS,

COMMITTEE ROOM 34,

WEDNESDAY, March 6, 1907.

The Select Standing Committee on Agriculture and Colonization met here this day at 10.30 o'clock, Mr. McKenzie, Chairman, presiding.

The CHAIRMAN.—We have with us to-day Dr. James Fletcher, Entomologist and Botanist of the Dominion Experimental Farms, who will speak upon 'Insects Injurious to crops in 1906, including the San José Scale in particular, and Weeds of the Farm.' I have much pleasure in introducing Dr. Fletcher.

Dr. FLETCHER.—Mr. Chairman and Gentlemen,—I am very much pleased to have the opportunity of meeting this Committee again. Last year I had to leave for the Northwest just at the time when your meetings were taking place, as I had to take part in the work of the Weed Seed Special train, a very important work which, I think, has had useful results in that great country, not so much perhaps, as we told the farmers at the time, in teaching them anything new, as in reminding them just at the time when some of the knowledge which they already possessed had best be put in force. As an instance, the methods of treatment of grain for the prevention of Smut are well known there and have been very useful in the past, but probably for a year or two had not been practised sufficiently. By reminding farmers just at the time when the work ought to be done, more progress has been made in the general adoption of the proper treatment for smut than has ever been the case before. It might naturally have been expected that there would have been more smut last season than even the year before on account of the heavy infestation of 1905; on the other hand, there was a decided improvement; and this can be attributed, I think, to the much more universal treatment of seed grain before sowing, with the recommended remedies. There was a good deal of smut, undoubtedly, but not nearly as much as there would have been, had it not been for the treatment of the seed with the usual solutions of formalin or blue-stone. The question of farm weeds was also discussed very thoroughly on this expedition. The characteristics of the most injurious kinds of weeds were explained, and attention was drawn to the methods which had been useful in subduing them in other parts of the country and in parts of the United States where the conditions were the same.

WORK OF THE YEAR.

The work at the Experimental Farm during the past season, in the Division of Entomology and Botany, has been very much of the same nature as in previous years, the chief aim being to keep in touch with observant correspondents in different parts of the country, so as to know when outbreaks of injurious insects occurred, and, as soon as possible, to advise farmers and fruit-growers as to what are the best steps to take to prevent loss. The annual reports of the Experimental Farms and the reports of this committee have been of very great use in this work in the past, because of their wide distribution, and, although even at the present time, a great many of our people do not make the use of these sources of information which they might, still the enor-

mous number of copies which are distributed every year and the copious extracts which are reprinted by the daily and weekly newspapers, bring the useful results of experiments before the notice of many who are certainly benefited by getting this information. There are remedies for nearly all of the injurious insects ; but those which are the most successful, are the simple practical remedies which do the work, the preparation and the application of which are simple enough to prevent mistakes being made, and the cost of which is such that it pays to adopt them.

THE SAN JOSÉ SCALE.

During the past year there have been few important outbreaks by injurious insects. Special reference, however, must be made to the San José Scale. Its ravages in Ontario have created the impression that it is more widespread through the Dominion than perhaps is actually the case. At any rate, owing to the general interest in the subject and from the fact that it was recently discussed in parliament, it seems expedient to mention that insect particularly. It may first be stated that no injurious insect so far studied has caused such extensive losses in fruit orchards. There is no one insect, perhaps, with regard to which there is such a voluminous literature as the San José Scale. This is due to the enormous injury that in a very short time is apparent in orchards where it has been introduced. It is an exceedingly small insect and very difficult to see. One of the chief difficulties in getting owners of fruit trees to treat their orchards has been the inconspicuous nature of the scale. A tree may be thoroughly infested, in fact coated with these scales, millions of them, and yet people who had not had their attention drawn to the fact, would overlook them entirely. This piece of branch which I submit for your inspection, is so thoroughly coated with scales that you cannot see the bark itself at all.

LIFE-HISTORY OF THE SCALE.

This insect increases with incredible rapidity. It has been found by careful observations that a single female which has passed the winter half-grown will about the 1st of July begin to bear young, and may before the end of the season have produced 3,216 millions of descendants. These, of course, consist of both males and females, and, although the male lives for a much shorter time than the female, both do harm, their attacks having a very injurious effect on the bark, wood and general vitality of the tree. The life history is briefly as follows :—The winter is passed by the partially grown insects beneath their scales. When warm weather comes, they revive and grow quickly, the males reaching maturity a few days before the females. These are extremely small two-winged flies and, strange to say, when fully developed have no mouths, so take no food. After pairing with the females they soon die. The females begin to give birth to living young towards the end of June, and the minute dust-like young may be found moving about on the bark from that time till November. The adult female bears her young alive and active instead of laying eggs like most other scale insects. In ordinary cases, as with the oyster-shell scale, eggs are laid beneath the mother scale. These in due time hatch, the time required being longer or shorter with different species. The young six-legged larvæ crawl out on to different parts of the plant, seeking a suitable place to fix themselves for life. But, in the case of the San José scale, no eggs are ever laid ; the females produce living young day and night at the rate of about a dozen every 24 hours, and this is kept up for nearly six weeks before the exhausted female dies. The microscopic young are pale yellow in colour, with oval bodies, six legs and two feelers. The long thread-like beak, with which a scale insect sucks the sap of the plant and fixes itself to the bark, is at first doubled up in a groove of the body wall. After crawling about for a few hours, the larva works its beak through the bark into the sappy layer below and remains fixed, if a female, for life, and if a male, until it is fully developed, when it will have wings and a few more hours of active life.

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The waxy shield or scale begins to be formed even before the young scale insect becomes fixed. It is secreted from the body, and in about two days the insect is entirely concealed by this covering, which has characteristic markings. The male insects take about 26 days to mature, and the females two or three days longer; then, from the time of birth of a young female until it develops into a mature young-bearing mother, only 40 days are required. The enormous fecundity of these females has already been alluded to, and the effect of the attacks of these insects upon the trees they infest, seems to be of a disproportionately serious nature to the small amount of sap they suck from the tissues, which become purple and discoloured. Healthy growing trees, when once infested, soon lose vigour and in three or four years sometimes are injured beyond recovery.

EXTENSIVE INJURIES.

When discussing this insect before this committee ten years ago, I exhibited a photograph of three large peach orchards in Maryland, which abutted and stood close together, consisting of 28,000 bearing trees. These were so badly injured in three years from the time the scale first appeared, that half of them were dead and had to be cut down. The following year the whole of these trees were dead and were destroyed. This gives some idea of the immense losses which may result from the attacks of the San José scale, though each individual is so minute. I suppose \$10 would be a fair amount at which to value a full-grown bearing peach tree, so that \$280,000 would be the loss for the trees alone in these orchards.

Since that time great changes have taken place in the distribution of this insect.

NOT A NATIVE OF AMERICA.

Although called the San José Scale first in 1873, from the name of the place in which it was first noticed in California in 1870, this is not a native American insect. In the ten years which elapsed from its introduction into America until it was described in 1880 by Professor Comstock, who was at that time United States Entomologist, it had done so much harm that it was called distinctively the Pernicious scale. By the end of another ten years, in 1890, it had spread throughout California and up through Washington and Oregon. In 1893 it was found in the Eastern States, and in four years it had spread through nearly all the fruit-growing states of the Union.

Although called after San José, in California, and at one time so destructive in California, as a matter of fact, the state of California to-day is perhaps as free from injuries by this insect as any other fruit-growing state in the Union. The exact reason for this is not quite known; but it is generally stated that this favourable state of affairs is due to a parasite, which, however, no one has so far been able to discover; and, on the other hand, it is well known that most of the fruit-growers do treat their orchards regularly with the lime-sulphur wash. Mr. Marlatt, one of the most eminent expert entomologists in the United States, who has paid special attention to this insect, in Bulletin 62 of the United States Bureau of Entomology, gives a résumé of the facts connected with the insect for each of the different States. He quotes Prof. Woodworth, of California, as saying that, 'although the scale does not occur at Berkeley, it probably does occur everywhere else in the state where fruit trees are grown, except in isolated plantings in the foot-hill regions. Usually, it is not seriously troublesome, though it may increase rapidly at any time and become a pest. The uniform treatment with the lime-sulphur-and-salt wash keeps it in check, and parasitism is often fairly efficient. In some districts, as about San José, where it has almost disappeared, the result may be due both to parasitism and to some obscure form of disease, as well as to the lime-sulphur treatment.' Taking the state as a whole, Prof. Woodworth says that it will be readily found in at least 25 per cent of the orchards, in injurious numbers in probably 10 per cent in any one year, and that from 25 to 40 per cent of the orchards are sprayed with the lime-sulphur-and-salt wash every year.

INCONSPICUOUS NATURE OF THE INSECT.

As I have already stated, the very inconspicuous nature of this scale has affected very materially its spread throughout the country. A small number introduced with nursery stock from an infested region may increase and spread widely through a locality, and the owners of the trees be quite unaware of its presence until attention has been drawn to it by the lack of vigour in the trees.

I will now pass around another twig on which the bark has been scraped in two places. Between these, in a space one inch long, there are from twelve to fifteen scales; but I think it highly probable that no member of the committee present would notice the insects or indeed be able to see them, unless his attention were directed specially to them.

INJURIES IN KENT COUNTY.

Mr. CLEMENTS.—I do not desire to interrupt you, but I may say to the gentlemen present that possibly I am one of the unfortunate members from a county where this pest is very prevalent. I think possibly Dr. Fletcher will bear me out in that. I think he knows the situation very well. I think that some few years ago—nine or ten years ago, was it, Doctor?—the San José scale was introduced into Kent county.

Dr. FLETCHER.—Yes, it was in 1896.

Mr. CLEMENTS.—I think several remedies were described at that time, but I want to inform Dr. Fletcher that within the last year or two—perhaps not over a year—nine-tenths of the orchards in the county that I represent are infested with this scale; and it seems almost impossible to operate with them. I know of a gentleman, Mr. Everett, who is a very well-known fruit-grower, who I think adopted every precaution possible, as far as spraying is concerned, as he thought it would be proper to spray them; but he mentioned to me a short time ago that he had something like 300 Northern Spy apple trees a year and a half ago on which no disease could be noticed; but last season he was unable to ship an apple out of the whole orchard. Now we have a great many well-known fruit-growers in Kent county who have been spraying with the different remedies which have been prescribed, and they seem to be getting discouraged. I would like to know from Dr. Fletcher the very best remedy that he can prescribe so that they might use it there.

The CHAIRMAN.—I would just call Mr. Clements' attention to the fact that he had better make his questions as short as possible.

Mr. CLEMENTS.—I will try. I think a great many members present have not got this pest in their constituency and I want Dr. Fletcher to deal with this important subject; that is the reason that I am taking up so much time. I might say that our fruit-growers, the men who are well up in fruit-growing, have heard of a parasite of the scale and desire that the parasite, if possible, be brought in so that it may work as beneficially here as it does in California. I do not know whether it will live in this climate or not; but I would like Dr. Fletcher to give me his opinion as to that.

A PRACTICAL REMEDY.

Dr. FLETCHER.—With reference to the parasite, if you will allow me, I will speak of that later. With regard to a remedy, there is certainly a practical remedy; but one of the troubles in the past has been that there have been too many remedies tried. The Ontario government have been investigating all the best known remedies. Their experiments, and all the experiments in every country where the San José scale is found have proved that a mixture of lime and sulphur, with, in general terms, twice as much lime as sulphur, boiled in water for a prescribed time, but not less than an hour, makes a wash which is a practical remedy, that it will hold the scale in check, and allow paying crops of fruit to be grown.

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By Mr. Black

Q. Unslaked lime ?

A. Yes, fresh unslaked lime, twice as much lime as sulphur, and both boiled thoroughly together so as to make a chemical compound. This is a remedy which, where it has been tried carefully, has become the standard remedy for the San José scale. There are other remedies ; but I think it is better to discourage their use, when we know that in the lime-sulphur wash we have a good practical remedy which has proved to be not only the best for killing the scale, but is also one of the cheapest that can be used.

There are two reasons why the San José scale has spread so much. One is its excessive and incredible fecundity ; instead of there being only one brood a year, as with some other scale insects, it continues breeding all through the summer. The second reason is that, being so small and inconspicuous, it is easily distributed from place to place with nursery stock. It has, besides, shown a great power of resistance to the ordinary insecticides and means of control which have proved efficacious against similar insects ; but, as I have stated, we now have a practical remedy in the lime-sulphur wash, if fruit-growers can be persuaded to use it more generally.

SPECIAL ATTENTION TO THE SUBJECT.

By Mr. Blain :

Q. How long has your department been giving special attention to the San José scale, how many years ?

A. Since 1894. The San José scale was introduced in America in 1870 to the ornamental grounds of Mr. Lick, at San José in California. In 1890 it had spread through California to Oregon and Washington. In 1893 it appeared in Virginia, east of the Rocky mountains. In 1894 it was found in several of the states. In 1894 it appeared in British Columbia also, but was promptly wiped out. In 1893 it was introduced into Mr. Clements' county. In January, 1897, Mr. Van Horn of Chatham sent me undoubted specimens from there. You will find from my annual reports that, having seen from its depredations to the south of us what a dangerous insect this was, we anticipated its appearance in Canada, and in 1894 published a warning article in our annual report, in the report of the Entomological Society of Ontario and in the *Farmer's Advocate*, of London, a paper with a very wide circulation. The fruit-growers were warned that this insect would probably soon reach Canada and do a great deal of harm, and they were urged to use the remedies which were best known. In 1897 this warning was repeated, and a special emergency poster was printed, giving a concise illustrated description of the San José scale and the best remedies. This poster was distributed to all the post offices throughout the counties of Kent, Essex and Wentworth and other counties where the scale was known to occur. This did a great deal of good in drawing attention to it.

PROVINCIAL LEGISLATION AGAINST THE SCALE.

About that time the Ontario government began a very active warfare against this enemy ; but, unfortunately, it soon became somewhat of a political question, which checked the work of repression. Unfortunately too, some fruit-growers who did not understand enough the danger from this insect, opposed the efforts that were made by the Ontario government, and in that very part of the country where now the trouble is worst, some of the men who had their orchards infested, bitterly opposed the efforts of the government to help them.

Q. The complaint, as I understand it, from the province of Ontario, was that the provincial government instructed the cutting down of such a large number of trees, and the owners of the trees resented that. Was that a mistake or was it not ?

A. It was not a mistake then ; but, according to the knowledge we now have, it was unnecessary. At that time, it was the only remedy known by which it was possible

to wipe out the scale. Unfortunately, the gravity of the situation was not understood by the people who owned the orchards.

Q. Are they continuing to cut them down ?

A. No. The resentment was so great that the work was stopped. No government could have persisted in it against the widespread public opinion that it was unnecessary.

Q. Is it a fact that the efforts of your department and of the Ontario department combined have been unable to check this scale in Ontario ?

A. By no means. We have been able to check it, and we hope to wipe it out altogether, if all fruit-growers will consult their own best interests and spray regularly every year.

INFESTED AREA.

Q. Is it much worse to-day than in was five years ago in Ontario ?

A. It is more abundant from one aspect of the case ; that is, the limits of the infested area in the province are practically still what they were five years ago ; but, inside the limits, the spread has increased enormously. On this map (pointing to a map of Canada), my pencil now covers the whole of that part of Canada which is infested to-day. That small strip hidden by my pencil, running from Essex along the north of Lake Erie to the Niagara peninsula and to the county of Wentworth, covers the whole area. This means, practically, wherever the peach is grown as a commercial crop. The San José scale occurs most injuriously at the eastern and western limits of this strip and at scattered points through it. This strip, however, covers the whole of the area of infestation by the San José scale to-day.

LIFE ZONES.

Now there is a remarkable fact in the distribution of life of all kinds, which affects this question : plants, insects and animals are confined to certain more or less clearly defined zones, which run through the country. These are called floral and faunal zones, and special names have been given to them in relation to the kinds of plants, birds, insects and other animals which grow and thrive under the conditions there found, thus producing associations which are remarkably constant in their distribution. One of these zones of life, which has been mapped out by Dr. C. Hart Merriam, the eminent American naturalist, is known as the Upper Austral Zone ; it is to be noticed that, long before the San José scale appeared in Canada, this very strip above mentioned was mapped out as belonging to that zone ; and, although the San José scale has occasionally been found outside this zone, it has not spread and has soon died out. That fact is important, because it gives reasonable ground to hope that the San José scale, bad as it certainly is where it now occurs, may not become a widespread pest in our country.

In answer to your question, the work of my department has had this effect : it has given fruit-growers definite information as to the nature of the San José scale and as to the preparation and use of the best remedy. Those who have applied this remedy, have succeeded in saving their trees and growing paying crops ; while others who have not, have failed, and, more, they have been an injury to their neighbours.

GOVERNMENT WORK TO CONTROL THE SCALE.

The federal government, through the Minister of Agriculture, has taken a very active part in this matter. The provincial government also did excellent work in Ontario ; it did, I believe, all that was possible under the circumstances ; and their actions throughout the campaign have been very wise, and the measures decided upon were well carried out by exceptionally efficient officers.

FUMIGATION STATIONS.

The Minister of Agriculture established fumigation stations, and the Ontario government insisted on nurserymen going to great expense in fumigating all nursery

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stock they sold. Many of these nurserymen naturally thought such expense was unnecessary, at first ; but I do not believe they think so now. Let me say, too, that I think they have carried out the law scrupulously.

OBSERVANCE OF LAW BY NURSERYMEN.

Certain statements were reported as having been made in the House recently, that the nurserymen in Ontario had not observed the law ; but I know as a positive fact that a great many of them, at any rate, have done so. I will cite the case of Mr. E. D. Smith, member for Wentworth, who happens to be present. I visited his nurseries, among others, and saw for myself that his work was being done thoroughly ; and the same was the case in other nurseries I have visited. I think the Ontario nurserymen, the provincial government and the federal government have done all that wisdom called for under the varying circumstances, according to the gradual development of our knowledge of the subject. The San José scale is more injurious and more difficult to control than any other insect that we have ever studied.

By Mr. Blain :

Q. If it is confined, and it is of course, to such a small territory, would it not pay the Dominion government and the local government combined to enter the infested area each year, for two or three years, and spray every one of the infested orchards, and stamp the pest out ?

A. That would of course become a question of political economy—whether such a large expenditure should be incurred for one part of Canada, at the expense of the rest of the Dominion—and would have to be decided by the government.

Q. But it is being done ; the whole of the money is being expended in that section now, if your statement is correct. What I say, is, with the amount of money that is being expended by the two governments in that section, would it not be in the interests of the Canadian people for each government to do something to try and stamp it out ?

A. It would be difficult and expensive to stamp it out now, because it has spread from the fruit trees to ornamental shrubs, and probably to some extent into adjoining woods. I think it is generally believed that it has now got so far that it is impossible to wipe it out entirely ; but I am confident that each man, in his own orchard certainly, can, by adopting the lime-sulphur remedy, reduce the infested area, and by spraying his trees regularly every year, secure paying crops all the time and improve the condition of his orchard year by year. The lime-sulphur wash not only destroys many kinds of insects which winter on the trees, but many fungous diseases also.

DISTRIBUTION OF THE SCALE.

By Mr. Wright (Renfrew):

Q. How are the scales carried about from one tree to another ?

A. The young when born, are very small and can be blown by the wind for twenty or thirty yards. That has been proved by hanging up black cloths in orchards. The young scale insects, before they attach themselves to the bark, also have the habit of crawling on to other insects and small birds, and are carried in that way from tree to tree. But, in considering this question, we must look back over the general results since we have known anything of this insect in the East, and we find this curious condition of affairs, that, when the scale is first introduced into an orchard, it spreads very slowly from the tree upon which it was first introduced to other trees nearby. But after a time it spreads through the orchard with great rapidity. As a matter of fact, in Canada it has spread very slowly from one orchard to another, orchards only a quarter or half a mile away from infested centers having remained free of the pest for a long time. These curious facts concerning this insect, although they seem contra-

dictory, are at the same time proved by the ten years' experience which we have had with the scale.

FORMULA FOR EXTIRPATION OF SAN JOSÉ SCALE.

Now, I will deal with the question of parasites, which has been referred to by Mr. Clements.

By Mr. Lalor :

Q. How often do you wash your trees and how do you upprepare your mixture ?

A. I will give all these details for the report. They were published in the report two years ago, but I will have them repeated. The wash is made thin enough to be put on conveniently with the spraying machine, and two applications in the year are required when an orchard is badly infested, one in the autumn and one in the spring. When an orchard is treated regularly, one application in spring before the leaf buds burst, is sufficient.

By Mr. Clements :

Q. What is the effect of fumigating nursery stock that may be infested by San José scale ?

A. It is absolutely cleaned of the scale. I have never known an instance of a scale on a tree coming through the fumigating house alive, after being fumigated in accordance with the standard formula which we recommend, viz., one ounce of cyanide of potassium, one ounce of sulphuric acid and three ounces of water, for every 100 cubic feet of space—exposure, 45 minutes. I have never yet heard of a single instance of living scales being found on trees imported into Canada, and which therefore had gone through the fumigating house.

SPRAYING MUST BE DONE EVERY YEAR.

By Mr. Blain :

Q. If the owner of an orchard sprays his orchard this year, would he have to continue it year after year ?

A. Yes, it must be done regularly year after year.

Q. It is not possible ever to drive it out of an orchard, is it ?

A. When you kill with one spraying 95 per cent, I feel sure that by continuing that treatment regularly you must drive it out in time.

Q. How long would it take ?

A. I think if an orchard were thoroughly sprayed twice a year for three years, that orchard would be cleaned. I have seen orchards cleaned in one year by thorough treatment.

Q. You know of orchards that have been cleaned ?

A. Yes.

Q. If that be the case, it does seem to me that a special effort on the part of the two governments would drive it out of Western Ontario altogether, and from an economic standpoint it would be a proper way to deal with it.

A. I am not a politician, but I believe one of the tenets of politics is that no government considers it wise to do anything until public opinion forces them, and so backs them up in whatever action they take. That is a question for the whole community in Canada.

Q. They seem to be doing a good deal now.

A. Wisdom like truth will out, you see. Sometimes it manifests itself in different directions. I think I answered your question, did I not ?

Q. Yes.

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PARASITES.

Dr. FLETCHER.—Mr. Clements brings up the very important question of the introduction of parasites. There is no doubt that special parasites do control and hold in check most insects in their own country. This is illustrated by the fact that our worst insect enemies are introduced species, which have come to this country without their own parasites. The white cabbage butterfly, which was introduced into Canada only about fifty years ago, has now spread from the Atlantic to the Pacific and is the cause of enormous losses every year. The Variegated Cutworm, the Hessian Fly, the Wheat Midge, the Cattle Horn Fly and Asparagus Beetles are others of these introduced insects, which came from Europe. They have spread and increased mainly because they were not held in check by their natural parasites. It has always been a most attractive field of investigation for all entomologists to try and discover, in their original homes, and introduce the parasites of insect pests, which have increased unduly when brought into other countries without their natural enemies. Notwithstanding the fact that some of the very best investigators have engaged in this work, and much time and money have been devoted to it, it has been found an exceedingly difficult matter to establish these useful friends in a new home; and it would appear that it is not an entirely parallel problem, to introduce a certain insect which thrives and increases in a new home, and also to colonize its controlling enemies. Predaceous enemies and parasites can only thrive and increase so long as they have an abundant supply of the insects which they feed upon, because as soon as they have reduced the numbers of their hosts so that they do not injure our crops, they have also brought down their own food supply, and to that extent have contributed to their own extinction. In addition to this, many of the parasitic enemies of insects are extremely restricted in the range of insects which they will feed upon, and, in the case of the San José scale, which is an exceedingly minute insect, there has not yet been discovered any special parasite which feeds upon it alone. There are, however, no less than eight of our native American insects which will occasionally prey upon the San José scale; but not one of these is confined to that scale, and, when others or larger hosts are available, they are preferred.

After many years of well directed effort, it must unfortunately be acknowledged that the only single marked success in this line of research has been the importation from Australia, into California, of a ladybird beetle to destroy the Fluted scale, which was working great havoc in the orange groves. This latter, however, unlike the San José scale, is a large and juicy insect, and the *Vedalia* ladybird beetle which was introduced, will also feed on other insects than the Fluted scale. The United States government, with characteristic enterprize, sent one of their best entomologists, Mr. C. L. Marlatt, to Japan and China to try and discover, what was not actually known definitely, the original home of the San José scale and also to secure, if possible, a supply of the special parasites which attack it there. Mr. Marlatt made a very extensive tour of investigation and brought back with him many insects which were found attacking the San José scale in its native home. The state of California has also another investigator, Mr. Compere, who has been engaged on this special work for several years; but we must acknowledge with much regret that up to the present time not one of these enemies of the San José scale has given any indication that it will be a useful factor in controlling the scale as far north as Canada.

As I have stated, Mr. Marlatt is one of the most competent entomologists in the United States and is the first assistant to Dr. Howard in the Bureau of Entomology at Washington. He has recently published as a report on his mission the most complete treatise on the San José scale which has ever appeared: Bulletin No. 62, Bureau of Entomology, U.S., Department of Agriculture, 'The San José or Chinese Scale.' It must be remembered that he went to China with the special object of finding a parasite and was therefore naturally interested in finding and introducing if possible such a parasite, because it was the main object of his mission. He took ample time for the

investigation, being gone nearly a year ; he is therefore better qualified than any one else to speak authoritatively on this important subject.

With your permission, Mr. Chairman, I will read a few short extracts from Mr. Marlatt's report which will show that his conclusions confirm the opinion I have already expressed. I regret exceedingly that this is the case, because, as Mr. Clements has pointed out, many of our Canadian orchardists are becoming discouraged on account of the trouble and expense of treating orchards infested by the San José scale, and it would be such an easy solution of the difficulty if we could, even at what might seem at first sight an enormous expense, bring in a parasite which would destroy the scale. Mr. Marlatt says :

‘The control of the San José scale by parasitic and predaceous enemies is increasing all the time ; but there seems to be no likelihood that either such natural enemies as are now in this country or those which may hereafter be imported will ever do more than merely lessen the abundance of the scale. In other words, from past experience and from a large acquaintance with other similar scale pests, it is extremely improbable that, even under the most favourable circumstances, such natural enemies will reduce this scale as much as would one thorough treatment with the lime-sulphur wash or other standard remedy. The insect enemy of the scale can only exist when it has scale food ; hence, a normal balance is very soon reached, in which the scale and natural enemy fluctuate in relative abundance.

‘The fact that a large succulent scale insect like the Fluted Scale of California has been controlled by a ladybird enemy, does not necessarily allow one to hope for the same result with the San José scale. The ladybird and other enemies introduced into California to control scales similar to the San José scale, have not succeeded in the same measure at all. This statement is made to correct hopes which may be aroused by certain popular articles which have recently appeared on the subject of parasites.

‘The San José scale must be recognized as a permanent condition to be met in the growth of deciduous fruit trees.

‘Orchards should be sprayed, according to well established methods, annually, as soon as the first sign of infestation is found. Fruit-growers and others interested have come to accept this conclusion and are facing the San José scale problem as one to be regularly dealt with, as with other established insect enemies of fruits.’

When speaking of the Asiatic ladybird enemy of the San José scale, which is the chief natural agency in keeping it in check in all regions investigated in China and Japan, Mr. Marlatt says :

‘None of the colonies sent to northern states, that is, north of the District of Columbia, became established, nor gave any useful results, and subsequent experience, and particularly the elaborate tests conducted by Dr. J. B. Smith, in New Jersey, would indicate that there is very little likelihood of usefulness from this beetle for northern fruit regions.

‘Neither the Asiatic ladybird nor any other predaceous insect—and this is true also of the chalcidid parasites, though perhaps in a less degree—can ever be expected to so thoroughly exterminate the San José scale as to give sufficient protection for commercial orchard purposes, where absolutely clean or unspotted fruit is an essential. Predaceous and parasitic insects can only survive in connection with their host species, and therefore ultimately there must be a natural balance which will fluctuate from year to year or period to period, in which alternately the parasite and the host insect get the upper hand, but both necessarily being continuously present.

‘PARASITES NOT AS EFFICIENT AS SPRAYING.

‘Where substantially clean fruit must be had, as for shipping and export purposes, spraying or some other direct means of control must be practised ; and, now that an inexpensive tree wash for the San José scale has been discovered, it is very much to the advantage of every one to spray regularly, rather than trust to control by natural enemies.’

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Notwithstanding all this, experiments have been carried on in the past, and will be continued, with the hope of finding a parasite which will be useful in Canada. By all means, everything possible must be done looking to this end. But in the meantime the scale is doing so much harm that the fruit-growers of Canada must do as we have urged them for ten years past, namely, apply the best available remedies now, and entertain the hope of getting a parasite as well at the same time. The remedy must be applied carefully, and it must be applied every year. Where the lime and sulphur wash has been applied for only one year, good results have followed in the shape of good paying crops of fruit ; and, likewise, where that has not been done, the results have been disastrous, the orchards have been destroyed, and the whole country has suffered.

THE SAN JOSÉ SCALE PROBLEM.

Now then, let us consider what is the problem to-day. It is practically what it was ten years ago. This serious enemy is firmly established in certain of our Canadian orchards, situated in one of the very best fruit-growing districts of the whole world. It is there doing an enormous amount of injury, but is not spreading much, if at all, beyond the margin of the area which has been infested for many years. At the present time there is little hope of getting any friendly parasitic insect or fungous enemy which can be relied on to control it ; and the whole question now remains, as it has for several years, in the hands of the fruit-growers. After many experiments a practical remedy has been found in the lime-sulphur wash, which, if it is applied regularly and every year, will destroy the San José scale to the extent that paying crops of fruit of all kinds can be grown. The only part of Canada which can be said to be infested, is the peach-growing districts of Ontario. The statements that the scale is abundant in British Columbia, are, I am thankful to say, inaccurate. There have been two or three very restricted occurrences in that province ; but these have been, as far as I know, entirely wiped out by the prompt destruction of the infested trees. There was a small infestation found at Kaslo last year, which was ordered to be wiped out and destroyed. That has been done, I believe, during the past winter.

MORE CAREFUL WORK NECESSARY.

Undoubtedly, wherever this scale occurs, the fruit-growers must take the matter up more vigorously, and must make up their minds to treat their orchards better, and do all their work more carefully, than they have done in the past.

By Mr. Clements :

Q. If spraying will destroy the pest, as far as I can see, in the county of Kent, there is not enough united effort along that line. I know a great many who have neglected their orchards altogether.

A. That is the whole question.

Q. Those who are interested do their work properly, I believe ?

A. The commercial orchardists are doing their work, because it pays them, but some of the small men—and that is the whole difficulty of the question—the men with a few trees or with small orchards—are neglecting their duty, because they say it does not matter. That is where government enforcement of the San José Scale Act was doing work in the province of Ontario, while they were able to keep up a vigorous campaign.

By Mr. Wright (Renfrew):

Q. Will the scales thrive in a cold climate, or are they impervious to cold.

A. The San José scale has not occurred outside the little strip that I pointed out to you. That is all I can say. At one time it was supposed that this Chinese insect, which too is a native of the southern districts in China, would not exist in Canada. When it established itself in California, the fact was explained on the ground that it

there found the conditions that it required ; but the climate there is much hotter than that of any part of Canada. We now know that it can thrive in one part of Canada at any rate.

By Mr. Lewis :

Q. The district of infestation that you are pointing out on the map, is the most southern part of Ontario ?

A. Yes. The most southern part just north of Lake Erie. The scale has not so far spread out of that area. The statement that it is spreading through Canada is not the case ; it is spreading inside that area and the injury is getting worse day by day, but the infested area is not growing wider.

Q. Why is it restricted to that area ?

A. Chiefly, I imagine and hope, because of the climatic conditions which prevail there.

By Mr. Smith (Wentworth) :

Q. There would not be any opportunity of it spreading through the nursery stock produced in Canada, for that is fumigated thoroughly. All that is imported is also fumigated and if everything else was done perfectly the scale would not spread.

A. No, that is perfectly true.

NO DANGER FROM IMPORTED FRUIT.

Q. Is there any danger from infested fruit ?

A. I do not think there is any danger at all on that score. When once the scales are fixed on a tree or on fruit they can never move again. The only possibility of infestation is from the young newly hatched larvæ. This means that insects on the fruit must be fully mature females, and that these must give birth to young near enough to fruit trees for the young to crawl onto the tree and find a favourable position to settle. It must further be remembered that these young scale insects can only move when quite young and for an hour or two after birth. I cannot see how young scale insects could be carried from infested fruit to growing trees in orchards. People do not eat fruit from a distance, in their orchards, or throw it into orchards when they have bought it.

Q. Infested fruit might be thrown around in a back yard and the scale could be carried by a bird to a tree that might happen to be in the yard ?

A. Such a thing would be very unlikely, I believe, in fruit districts. The peel of an apple or of a pear, when taken from the fruit, would soon dry up, when the mother scale would perish at once. In such a contingency, the females would not have time to bear young before they died of starvation. The scale is a living insect and must feed all the time. Moreover, there has never been a single instance recorded although closely looked for, where the San José scale has spread from infested fruit. The only possible way of infestation from fruit which I can imagine, would be for some one to deliberately place infested fruit in the crotch of a young tree, which had smooth bark, and where the scale could fix itself easily. I do not think there is any possible danger from that source ; and I am glad to find that such a high authority as Mr. Marlatt agrees with me in this opinion. On page 56 of his report already referred to he says :

‘ The shipping of infested fruit from California has been going on for a great many years, and in spite of its wide dissemination in this country and abroad, there is not a single authenticated instance of the scale having been established from such material. The possibility of it, however, undoubtedly exists ; but the danger seems to be inconsiderable. The fruit is eaten in such places and the parings and waste material are usually disposed of in such a way that it would be very exceptional indeed for such fruit, or the young scale which might hatch on them, to get access to trees on which the scale could make lodgement. It would practically be necessary for the parings to be tied to a tree, or the fruit to be placed in the crotches of the tree, to

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secure infestation, and it is the belief of the writer that infestation from this source can be practically ignored.'

By Mr. Chisholm (Huron):

Q. Does it infest the cherry?

A. Yes, the sweet cherries and, rarely, the sour varieties also.

Q. Is it on the wild trees?

A. This insect will occur on all kinds of trees except those of the pine family and orange trees.

Q. At that rate, if all the orchard trees were treated the scale might still be carried over and spread in the woods.

A. It certainly might spread into the woods, but fortunately it has not done so, so far as we actually know in Canada.

By Mr. Schell (Oxford):

Q. Is Bordeaux mixture effective in preventing the spread of the scale?

A. No, Bordeaux mixture would have very little effect on the scale, except from the lime it contains, which would render the bark uncomfortable for the young scale insects to fix themselves to. There is nothing in the Bordeaux mixture to destroy the scale.

Q. If a larger quantity of lime were used than is generally put in the Bordeaux mixture, would it be of any benefit in preventing the spread of the scale?

A. Only to a very small extent.

Q. Has it not any virtue when mixed with the sulphur?

A. Undoubtedly. The chemical combination of lime and sulphur produces compounds which are destructive to insect life.

Q. How would it do to add sulphur to Bordeaux mixture, which is commonly used?

A. So as to combine the Bordeaux mixture with it? That might be done without much trouble. The Oregon lime and sulphur wash has bluestone in it. The Bordeaux mixture is composed of bluestone and lime.

By Mr. Smith (Wentworth):

Q. Lime and sulphur would destroy the foliage?

A. Yes, it is for winter use only, or at any rate when the trees are bare.

By Mr. Schell (Oxford):

Q. Lime is not injurious to the foliage?

A. No, not alone. On trees that are sprayed with lime and sulphur wash, you do not require Bordeaux mixture, because it also is an excellent fungicide.

I think you referred, Mr. Clements, to California having been freed of the scale? As a matter of fact a large proportion of their orchards, between 35 and 40 per cent, are systematically sprayed with the lime and sulphur mixture every year, whether the scale is present or not, on account of the recognized value of the lime and sulphur mixture in preventing fungous diseases.

GOOD WORK IN ONTARIO.

By Mr. Smith (Wentworth):

Q. There has been marked advantage with us where people have sprayed, whether there was any scale or not. In regard to the control of the San José scale, in the district with which I am familiar, the only control has been in townships where the law enabling a municipality to pass compulsory legislation has been taken advantage of. That has been the experience in the township of Saltfleet, and I think one or two other townships. The town councils pass a by-law necessary to compel the people to take action, and then they appoint an inspector who sees that the scale is kept under control. Where that is not done the scale is spreading like wildfire, but in the township

of Saltfleet where this system has prevailed for three or four years, I do not think there is nearly so much scale as there was four or five years ago.

A. That plan has undoubtedly proved satisfactory with you ; but you see there are special conditions in the Grimsby and Winona districts. The great value of the land and its high productive capacity, have caused it to pass into the hands of men of capital. Most of your growers are commercial orchardists, and they have seen the advisability of adopting these remedial measures. It would be suicidal if they did not do so, for there is no doubt that where the remedies which I have spoken of have been properly applied, good results have always followed. It is the small man with a few trees who is careless and neglectful, and who exposes to injury all others living around him.

Q. A great many in that township would not do it unless compelled by the town council ?

A. It was a wise proceeding your securing such legislation.

By Mr. Lewis :

Q. There is no trouble then in remedying the evil ?

A. There is trouble ; but it can be done.

Q. There is no doubt about it ?

A. I have none. I am sure it can be done, and I believe the satisfactory state of affairs in California which is often referred to, is due to the fact that spraying with lime and sulphur has for ten years been the regular practice in many of the orchards. The statement that there are useful parasites at work there is also probably true ; but the favourable conditions, as the entomologist whose statements I quoted says, are due, first, to the regular systematic spraying and then, as he adds, this is 'probably helped by parasites.' But we ourselves know the direct benefits due to using this remedy in the high quality of fruit that is now being produced by some, even in the infested districts, and as Mr. Smith has told us, our best Ontario fruit-growers are actually using the wash as a regular practice, in many instances one man operating a large boiling plant and preparing the material for his neighbours.

The San José scale has been longer established in the counties of Kent and Essex than in any other part of Canada, and although some of the leading men are recognizing the facts which I have laid before you, and are doing this work carefully, they are badly handicapped by others living around them who are discouraged, and are not following their example. There must be systematic treatment of the orchards every year, on account of the ease with which the minute scale insects are carried from orchard to orchard by other insects or by birds. As already stated, it has been found that the newly hatched young can be blown for many yards, a fact ascertained by hanging up black cloths near an infested tree when a strong wind was blowing. Then again, in the alleged case of small birds carrying the scale across the Niagara river from the other side, I do not know if the scale is abundant enough on the other side to be a source of danger ; but in the summer time, when small birds are rearing their young, they do not fly very far from their nests. This habit of short-flight is also one of the troubles with some insects imported from abroad, to control other species. Many of these parasites do not fly long distances, and when they have been secured and introduced at much trouble and expense, they not only do not spread rapidly, but it is with the greatest difficulty that they can be kept alive. The Asiatic ladybird beetles brought from China by Mr. Marlatt, thrive all the time there was plenty of the scale for them to feed upon ; but as soon as the numbers of the scales were lessened, the predaceous beetles began to starve. In some places it has been only with difficulty that they have been preserved.

FUNGOUS PARASITES.

Other useful parasites of insects are found among the fungous diseases, but these are hard to propagate and establish where they are required. It has been assumed

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that, if a fungous disease will attack an insect in one place and the same insect will spread to another locality, therefore, the fungous disease will also thrive in the new home. We have found, however, that such is not always the case. There is in Florida a fungous disease which has done good work in destroying the San José scale; and in Nova Scotia we have absolutely the same species of fungus attacking the common Oyster-shell scale. We secured infested Oyster-shell scales and introduced them with great care into a locality where there was plenty, not only of the San José scale but also an abundance of the Oyster-shell scale, but our efforts were all in vain—we could not get the fungus to spread from one host to the other—notwithstanding the fact that in Florida, under different conditions, it is a most effective ally of the fruit-grower. We know that a warm, moist atmosphere is necessary for the increase of many fungous diseases, so that it would appear that the climatic conditions in Western Ontario are not such as to allow that fungus to thrive. The question of introducing parasites is of course most important. If we could get the parasite to do its work with us, and thus save the labour and expense of spraying, it would be a grand thing; but up to the present it has been such an exceedingly difficult matter, that I have very little hope at the present time of obtaining such a fungus or insect friend. But the effort must be continued. We must keep on looking for a suitable parasite; and we may ultimately find one. In the meantime, I urge most emphatically on all fruit-growers the wisdom of spraying their trees regularly with the lime-sulphur wash, until we discover something better.

THE LIME-SULPHUR WASH.

By Mr. Chisholm (Huron):

Q. In case of heavy rain coming after the spraying, would the spraying be effective?

A. Heavy rains, within an hour or so, would reduce the effect of this wash to some extent; but not to the same degree as with some of the other washes which are used as sprays. For instance, if you spray with Bordeaux and Paris green, and a heavy rainstorm comes on immediately afterwards, the effects are very much reduced; but with the lime-sulphur wash this is not the case. It is extremely adhesive to the trees, and covers the trees with a clearly discernible deposit. It is recommended by Mr. George E. Fisher, for many years San José scale inspector for Ontario, that two applications should be made. The lime in the wash makes an easily seen deposit on the trees when it dries. This makes it easy to detect if any part of the tree has been missed in spraying. It is therefore always a good plan to take a second look at the trees, after the work is finished, to see if there are any parts which require touching up. This is an easy matter when everything is ready and at hand. Every part of the tree must be covered with the spray to get good results.

By Mr. Schell (Oxford):

Q. By adding sulphur to the Bordeaux mixture, would not the one application get rid of the codling moth and the San José scale at the same time?

A. No, I do not think that would answer. The lime and sulphur wash is injurious to foliage, the Bordeaux mixture is not. We can mix Paris green or arsenate of lead with Bordeaux mixture for the codling moth and fungi, but not with the lime and sulphur wash, because it would injure the foliage if used in summer time.

Q. Lime is not injurious?

A. No, but the combination of lime and sulphur is.

Q. You can add 18 lbs. of lime to the 40 gallons, whereas the Bordeaux mixture calls for only 8 lbs.

A. The quantity depends upon the formula used in making the mixture.

By Mr. Chisholm (Huron):

Q. Would not the sulphur and lime form sulphate of lime?

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A. Chemists tell us that the injurious effects of this wash on insects are due to polysulphides and thiosulphate of lime ; but it is not known quite how they act. The chemistry of this mixture is very complicated, and I do not understand it. Mr. Shutt will be able probably to explain the matter when he comes before the committee. I know that the chemical combination of lime and sulphur is injurious to foliage, if sprayed on to trees in active growth. The usual formula for the Bordeaux mixture, which is now recommended for use on fruit trees, and which is very generally used through Ontario, is: lime, 4 lbs.; bluestone, 4 lbs., and water, 40 gallons. The original formula which is still used for preventing potato rot contains 6 lbs. of bluestone instead of 4 lbs.

By Mr. Schell (Oxford):

Q. I know what the formulas are.

A. I am afraid I do not quite understand your question, then.

Q. Reference was made to lime being injurious to foliage. I do not think it is.

A. I never heard that it was.

Q. They use as much as 18 lbs. in 40 gallons.

A. Lime wash is not injurious to foliage. It may be used in almost any strength. In Western Ontario some fruit-growers have used even more than the amount you have mentioned in making their lime and sulphur wash, but it adds very much to the trouble of spraying.

Q. I have been using different mixtures in experimenting and have used a stronger mixture than it is customary to do. I have used more lime because, to a certain extent, it counteracts the injurious effects of Paris green on the trees.

A. Yes, lime undoubtedly neutralizes the caustic effects of Paris green on foliage. Lime to at least an equal weight with the poison should be used in all Paris green mixtures.

THE WORK OF THE DIVISION OF ENTOMOLOGY AGAINST THE SCALE.

By Mr. Blain :

Q. What is your department doing to drive out the San José scale ?

A. The Minister of Agriculture has established fumigating stations at certain ports of entry, at which alone any nursery stock from outside countries is allowed to be brought into Canada. There, men who are experts at handling nursery stock, unpack and fumigate all trees which are in the least likely to be infested. In that way all fresh importations of the scale are prevented. In addition an extensive correspondence is carried on, every year amounting to between three and four hundred letters, on this one insect alone. In these letters information on the insect is given where it is needed, and advice as to remedies is also given. Furthermore, almost ever since 1904, an article has been published every year, in our annual reports giving a résumé of the subject, with the latest informatios as to remedies.

Q. But you have no officer who goes to the sections where it is spreading so much at any time of the year, have you ?

A. I leave to-morrow night for one of the very sections.

Q. You go annually, do you ?

A. I go very often, sometimes more than once a year, and altogether, I have made a great many visits, examining the orchards and advising the owners what remedâes to use. However, I was not in the San José scale districts at all last year.

By Mr. Clements :

Q. Can you tell me, from the information you may have from my district, whether they are using the lime and sulphur mixture pretty extensively ?

A. No, I am afraid they are not. Some are, but most are not. As is the case elsewhere, the men with most at stake, with large orchards, are doing so; because they know that it pays them to do so. Mr. Van Horn, of Chatham, who was the first man

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in Canada unfortunate enough to get the San José scale in his orchard, used the lime-sulphur wash as far back as 1897, and with excellent results. He cleaned his trees entirely, as is stated in my annual report for that year.

A NEW REMEDY.

Q. I might say for your information, because it may be well worth looking into, that there is a mineral water which some of the prominent fruit-growers in my district have tried, and they claim that it is one of the most effective remedies they have used.

A. Do you know what it is composed of ?

Q. I think it is sulphur to a great extent.

A. I should not like to trust it unless it contains something else.

Q. I think it is crude oil and sulphur.

A. Crude oil is a good remedy, if used with care. It has been used on apple trees with great success, but it is rather dangerous to use on other kinds of fruit trees.

Q. I know one gentleman who has used it on tender bushes several times, and it has had a good effect.

A. Of course the treatment would be easier to apply carefully on a small bush. I do not know of this remedy you mention ; but I shall inquire into it .

DIFFICULTY WITH LARGE TREES.

Q. Complaints are made of the difficulty of getting at the large trees to spray them. I suppose the scale would be on the leaves as well as on the limbs ?

A. Those large trees are one of the greatest troubles in all this work. Along the north shore of Lake Erie there are some very large pear and apple trees and the thorough spraying of these would be a troublesome business. There is only one possible thing to do, that is, to trim these big trees until all parts can be reached by nozzles, at the end of extension poles. When a tree gets to be 40 feet high, spraying becomes an expensive and troublesome operation. It can be done of course, but it is more expensive. I should advise that those large trees should be trimmed back so that they can be treated properly and conveniently. Another plan which would answer the same purpose would be to trim them back and regraft them.

By Mr. Black :

Q. As we have really only one effectual remedy, I presume the best way would be to hold to that one and eliminate all the others ?

A. That is my opinion, until we get a better.

Q. And investigation should not go towards new remedies at all but to the effective application of the best ?

A. I think from the point of view of the practical fruit-grower, he should use the best remedy that is available. From my standpoint as an investigator, I must seek the whole world over, if necessary, to try and find a better remedy.

Q. But the great trouble is that the small growers and the indolent growers will not apply the remedy ?

A. That is it. The small growers say it is not necessary for them to go to the trouble and expense to spray, so they do nothing.

By Mr. Clements :

Q. It seems to me that if this scale is confined to that one district, it would be a good thing from an economic standpoint if the federal and Ontario governments would give better attention there and take care of it; it would be money saved to the Dominion ; otherwise it seems to me that it may spread all over the country.

A. Well, the fact of the matter is that, so far, this insect has been confined to a certain area which is comparatively small, and we do not know that it will thrive when

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it gets outside of that area. It is a striking fact, that for nearly 10 years it has not spread injuriously outside of that little strip in Ontario, which I have pointed out.

Q. The fact of it starting in British Columbia and in the Niagara district would almost prove that it is only in those districts that it is likely to thrive ?

A. It looks very much like that ; but of course we cannot tell.

By Mr. Black :

Q. Has the San José scale ever got into Nova Scotia ?

A. No, it has never appeared anywhere else in Canada, except in that strip in Ontario, which I have pointed out, and in three small isolated spots in British Columbia, where it was easily destroyed by promptly cutting down the infested trees. It appeared first in Canada at Chatham, Ontario, in 1896, and was at Niagara in 1897, in the orchard of Mr. Thonger. After that it ran rapidly through these counties (indicating on the map).

By Mr. Lewis :

Q. What counties are those ?

A. All the counties north of Lake Erie, from Essex to Lake Ontario, and as far as Wentworth. I have heard it stated that the scale has been found on trees in Toronto, but I have not been able to confirm the rumour.

Q. How is it in Middlesex ?

A. It has done no harm there.

By Mr. Schell (Oxford):

Q. The county of Norfolk borders on Lake Erie. Is the San José scale there ?

A. I believe there are some localities, but how far back from the lake the infestation extends I do not know.

KEROSENE EMULSION FOR SCALE.

Q. Do you ever use kerosene emulsion ?

A. It does very good work, if repeated when necessary. If an orchard were badly infested with the scale, I would use the lime-sulphur wash in the spring, and then during the summer would put on two applications of kerosene emulsion.

Q. How do you get the kerosene to mix with water ?

A. By adding soap to the water. You make soapsuds by boiling $\frac{1}{2}$ lb. of soap in a gallon of water till all is dissolved, then the oil will mix with it freely ; 2 gallons of kerosene mixed with the above quantity of soapsuds will give 3 gallons of stock emulsion, which, when diluted, will make 30 gallons of wash, ready to use.

Q. Hard soap ?

A. The ordinary hard soap or soft soap. A pound of hard soap or 1 quart of soft soap.

By Mr. Chisholm (Huron):

Q. Will the application of lime and sulphur destroy the Oyster-shell scale ?

A. Yes, and the spraying should be done late in the autumn. In some experiments I tried with this wash for the Oyster-shell scale, it was not quite as effective as I had hoped it would be ; but on the whole it was satisfactory. The Oyster-shell scale is active only from the beginning of June to the beginning of August. After that, this injurious pest of fruit trees is represented merely by a cluster of eggs beneath a dead scale, which is the dried up body of the mother scale insect. Early in the following June the small white eggs hatch, and the active 6-legged young crawl all over the tree, looking for a place to fix themselves. The spraying of infested trees with a simple lime wash in autumn, one pound of lime in each gallon of water, covers the trees with a deposit which will flake off during the winter and carry the Oyster-shell scales with it.

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Q. In the county of Huron we have the Oyster-shell scale very plentifully ; but we have not seen anything of the San José scale.

A. The Oyster-shell scale is not nearly as bad even with you as it is in some places. It is also very abundant in some parts of Quebec and Nova Scotia.

By Mr. Black :

Q. I have seen old orchards lime-washed the same as you would lime-wash a house, with benefit.

A. Yes, a man who will take all that trouble to make his orchard look neat and clean will do all the rest of his work well.

By Mr. Clements :

Q. A correspondent of mine writes to me from Chatham as follows :—

‘ To give you a slight idea how this scale is progressing, I might state, that we on the river below Chatham had no idea that there was any within miles of us. Now my pear orchard of 900 trees is alive with the pest from end to end, and likewise, my peach orchard of about 1,100. The latter, as all our peach buds are killed (including kinds I never knew to be destroyed before), I am cutting off to stubs about 4 feet long.’

A. What was it that destroyed the buds ?

Q. This scale.

A. Is that Mr. Backus, Mr. Clements ?

Q. Yes.

A. He is a good active man and is very much exercised just now on this subject. I have heard from him recently also. The scale, however, was at Chatham many years ago.

Q. Do you think it was in his district ?

A. I am sure it was. It appeared first at Mr. Van Horn’s.

Q. Mr. Van Horn is up the river. Mr. Backus and he are about ten miles apart.

A. Well, yes ; but I should speak of two places only ten miles apart as being in the same district, as far as the distribution of an insect was concerned. Mr. Van Horn’s was not the only orchard in which the scale was to be found, when I visited him in 1897.

Q. There were only a few spots, I know, at that time.

A. It was all through your county soon afterwards. I think you will see that, if you will look up Mr. George E. Fisher’s reports to the Ontario government, of about that time. Was it not at Guilds some of the fruit-growers were going to brain Mr. Fisher or shoot him ?

Q. Well, things are in a pretty serious state down there.

A. They are in an extremely serious state, Mr. Clements, and you could not have done your county a better service, I believe, than by drawing attention to it at the present time, so that the fruit-growers may do more, at once, to protect their own interests against this enemy. In the meantime the chief reliance must be on the individual efforts of those men who have so much at stake. Whether the danger is so great, and the public interest is sufficient, to justify the government doing more than they have done, is, of course, a thing for them to decide. I think that the federal government is rather restricted in what it can do in these matters by its proper relations with the provinces. I feel that my chief, the Minister of Agriculture, has done almost, or rather quite, as much as he could do without interference with provincial matters, and he has been to very considerable expense for a great many years in protecting the fruit-growers of the Dominion from further importations of this pest.

Q. I fear that the general public do not realize the seriousness of the situation. I know what it is myself, and I know that our orchards are all going to be destroyed, unless something is done. If this preparation you speak of is effective and each one of the fruit-growers is compelled to use it, a change for the better may very likely take place?

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A. I do not know of any greater danger threatening than that from the San José scale in the districts where it has gained a footing. The danger is just as great to-day as it was five years ago. As to its spreading, it is going through orchards and into more orchards in the infested district. It is a very fortunate thing for the rest of the country that it does not spread beyond there. However, it is spreading enormously inside the known limits of occurrence, and if anything can be done to stir up the farmers and fruit-growers in that district to greater and more concerted efforts, I think it should be done as soon as possible.

By Mr. Bain :

Q. What proportion of the apple producers would you term commercial men ?

A. Decidedly more than 50 per cent, and through the Niagara peninsula I should say 75 per cent.

Q. It is now almost ten years since you commenced to give your attention to it—I am speaking of this department—and the Ontario government did the same thing—how then do you account for the fact, that notwithstanding your efforts, it has become worse and worse every year in that section. Is it that the fruit-growers do not believe what the representatives of the two governments say ?

A. Well, the effect of belief is usually action, is it not ?

Q. Yes.

A. Well, they have not acted. What they believe I do not know.

Q. Under the circumstance do you not think some more drastic measure, or some special effort is required, on the part of your own department and the Ontario government as well ?

A. Our own department—I can only speak for my own division—is using every effort it can.

Q. It does not—I may be wrong, correct me if I am—seem to do a very great deal when you say that you yourself are devoting a great deal of attention to it, from time to time, and not very specifically, because you were not up in the Niagara district last year, and nothing was done; that is not a very special effort to stamp out a disease which seems to threaten the whole future of that section.

A. There are many other diseases to stamp out and many other subjects demanding attention at the same time. There are other provinces than Ontario in the Dominion and all have their troubles. There are only about twelve hours a day one can work and there are enough diseases and insects to take every minute of that time not only of the three men in my division but a great many more.

Q. That is a good answer but does not meet the situation. That only means more money and more men. I want to say in the face of everything you people have done, and I am not complaining of that, and in the face of what the Ontario government has done, and keeping in view the fact that the San José scale is only found in the small section of Canada to which you have referred, notwithstanding all your efforts, it is getting serious and more ought to be done.

FRUIT-GROWERS NOT CAREFUL ENOUGH.

A. Now I must give you the answer which I did not want to give ; it is simply this, the men most concerned are not doing their duty by themselves and by their neighbours. They are not doing what common sense would dictate they should do to protect their crops and save themselves from loss.

Q. It is a strange thing to me that if a man has an orchard and he finds that he can save it and make money out of it by applying the remedy you suggest, it seems strange to me that he should not do it.

A. Indeed it does to me too. I have been studying injurious insects all my life, and it has been a constant marvel to me that well-tried remedies which have been proved to be efficacious and by which disproportionately enormous savings can be made are not more quickly and more generally adopted. However, it is encouraging to find

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that year by year the results of experiments by specialists are being put in practice more and more and are being quietly absorbed into the ordinary methods of horticultural and agricultural science.

By Mr. Schell (Oxford):

Q. All over the Dominion where fruit is raised, especially apples, although experiments have proved conclusively that it pays to use the Bordeaux mixture to get rid of the codling moth and the scab, and that it would save hundreds of thousands and probably millions of dollars to Canada as a whole, if people would only spray systematically and efficiently, yet they will not do it.

A. I believe there is an average increase of 75 per cent in the profits on every tree they spray, a fact which is fairly well known and yet many fruit-growers have not even yet adopted spraying as a regular yearly practice.

By Mr. Clements:

Q. The state of Massachusetts, I understand, is incurring a large expenditure, and different other states have made large appropriations, to get rid of the San José scale?

A. Those large expenditures which you refer to were made for work against the Brown-tail moth and the Gypsy moth, two very injurious insects, which attack all kinds of plants. They were both of them accidentally introduced into Massachusetts, but now give evidence that they may spread over the whole of the United States, and perhaps extend their ravages into Canada. At first the trouble was dealt with by the state of Massachusetts alone, but as these insects have now spread into several other states, the federal government has taken the matter up. With regard to the San José scale, past experience seems to show that it may not spread widely in Canada, and therefore it is a special matter for the consideration of the people living in the infested strip of country. The importance of taking more vigorous steps to control the San José scale is very great indeed, owing to the losses which are going on every year, in one of the very best fruit-growing districts of the whole Dominion, where the soil and climate seem to be of the most favourable nature for producing large crops of the highest quality of all kinds of fruit, and where large sums of money are already invested in this important industry.

By Mr. Lewis:

Q. Would you suggest such a law being passed as that fruit-growers use this remedy or have their trees cut down?

A. No, I would not.

Q. Why not?

A. Because I have never known legislation of that nature to be very successful. Mr. Dryden, after much thought and care, caused a San José scale law to be passed in Ontario, but its enforcement had to be relinquished. I think as Mr. Schell has indicated, a better course is to keep on pointing out to the fruit-growers of the country, as ordinary business men, the advantage of adopting remedial measures—that by a small expenditure they could make a large saving, more of these people will probably act upon the advice given them. The very discussion we are now holding must have an effect in inducing some of those who have never sprayed, on reading the report, to make up their minds to give that operation a trial this year. I know well that if they once begin, they will never give it up again, because the benefits are so great. The legislation requiring the cutting down of trees was not very fortunate. I think the quiet influence of the many men who are making money by spraying their trees, and the getting of the subject frequently discussed before Farmers' Institutes and meetings of Fruit Growers' Associations, will do far more than all the laws that can be passed.

By Mr. Wilmot :

Q. I think if the law is not observed and is not effective, there is not much use in legislating. It would be like the laws passed to compel people to be good and moral.

A. I don't think they do much good, but the enactment of legislation is not a question I can discuss. I know that we have a practical remedy, and every wise man who has a large amount at stake should adopt it and protect himself and his neighbours from loss. I know from very careful experiments that the lime and sulphur remedy is effective against the San José scale and that orchards which are sprayed with it are at the same time freed of many fungous diseases which are injurious to fruit crops. In California the fruit-growers spray their trees with this wash, whether there is any San José scale or not, the higher quality of fruit they get from the sprayed trees much more than paying for the application.

By Mr. Clements :

Q. Have you thought of sending any of your officials to Kent county in the near future ?

A. I do not think anything has been decided as yet. The provincial government have their regular inspector, Mr. J. F. Smith, an energetic man who is doing excellent work.

THE APPLE MAGGOT.

If there are no more questions on the San José scale, Mr. Chairman, there are one or two other insects which I should like to bring to the attention of the committee.

An insect which has been known to occur in Canada for some years, but which has done us more harm during the past year than at any previous time, is the apple maggot. The maggots are the progeny of a small fly which lays its eggs beneath the skin of the half-grown apples. On hatching, the young maggots tunnel in every direction through the fruit, leaving discoloured channels. The apple maggot is doing a great deal of harm in some orchards where it has gained a foothold—in a few places in the province of Quebec, and in certain parts of New Brunswick and Ontario. This is a difficult insect to control. The female flies insert the eggs into the flesh of the apple by means of a hard egg-laying organ, consequently the maggots cannot be reached by any of the poison sprays such as are used for codling moth and other insects which feed on foliage. The only remedy which has given any good results is the destroying of all windfalls during the latter part of the summer. The maggot remains in the flesh of the apple for some time after it falls to the ground. They then leave the fruit and burrow into the ground. Here they pass the winter and the mature flies do not emerge until the following spring.

By Mr. Clements :

Q. What is the name of the insect ?

A. The apple maggot.

By Mr. Lewis :

Q. That is the white maggot which leaves a black trail through the fruit ?

A. Yes, and for that reason it is sometimes called the railroad worm.

By Mr. Schell :

Q. That is not the same as the codling moth ?

A. No, the codling moth burrows a large hole around the core of the apple and eats its way out through the flesh to one side. The apple maggot makes small burrows all through the flesh of the fruit in every direction.

By Mr. Lewis :

Q. Could the insect be stopped by putting bands around the tree ?

A. No.

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Q. Some people do it ?

A. Those are for the codling moth, the caterpillars of which spin their cocoons on the trunks of trees after they leave the fruit. When the bands of burlap or other material are tied around the trunks, the caterpillars spin up beneath them and can be easily destroyed. The apple maggot burrows through the flesh of the apple, and never occurs on the trunks of the trees. There are sometimes half a dozen of them in one fruit at the same time. The insect affects certain kinds of early or sweet apples more than others. When attacked, the fruit drops to the ground. One of the methods suggested for controlling it is the gradual elimination of early and sweet apples liable to attack from orchards, in the districts where it is prevalent. The most important remedy is the constant destruction of windfalls by keeping pigs or sheep in the orchards or by removing the fallen fruit at short intervals.

Q. Does that remedy it, allowing pigs in the orchard ?

A. Yes. If you will allow enough pigs in the orchard to destroy all the fruit as it falls before the maggots leave the apples and enter the ground. This has been a bad fruit pest in Maine and in some parts of the New England States for many years. It has done a great deal of harm and occasioned great anxiety. There is, however, less injury to-day than there has been in the past, showing that the remedies prescribed are having some effect. Possibly too parasites are helping, although they have not been detected. Injurious insects, when they first appear in a new locality, attract a good deal of attention from their abundance; but their numbers fluctuate, or by the gradual development of parasites they may disappear again. There are one or two introduced insects which have not that character. For instance the Colorado potato beetle seems to be just about as abundant every year, although we know that enormous numbers are destroyed every year by farmers with poison mixtures, and besides, there are over 20 different kinds of parasites which prey upon the species. The apple maggot has fortunately never shown such powers of persistence, and by the adoption of the remedies recommended, such as the destruction of windfalls, this insect may be controlled in a large measure.

Q. It has only appeared in certain parts of Ontario ?

A. It first appeared in Canada in 1878, in the Bay of Quinté district, and is now in Prince Edward county. It is doing a good deal of harm in one place in New Brunswick and at one locality, Como, Quebec, on the Ottawa river.

Q. Has it not been in Western Ontario for years ?

A. I think not, I never heard of it. It is one of the worst enemies of the apple shipper, because its presence cannot be easily detected by the outside appearance of the apple, and when the fruit is packed and sent to market, it may prove to be useless, on account of the ugly discolorations inside the fruit.

REMEDY FOR CUTWORMS.

I wish again to bring before the committee a remedy for the destruction of various kinds of cutworms which appear in the spring and do a great deal of harm in the months of May and June, by destroying small seedlings of all kinds when first put out, and roots grown from seed, such as turnips, mangolds and other field crops. These caterpillars are generally known by the name of cutworms, from their habit of cutting off the plant at the surface of the ground, and probably do more injury to field crops than all the other insects put together. My object in bringing this matter before the committee is to again draw attention to the remarkable results which have been obtained by using bran and Paris green mixed into a mash and then distributed over the fields. In the important fall wheat growing districts of southwestern Alberta, and all up through the foothills of the Rockies as far north as the Edmonton district, during the past season, thousands of acres were attacked by cutworms. They devastated whole fields not only of the root crops I have mentioned, but of oats, wheat and other crops. This was where no treatment was resorted to. Where applications of the Paris green and bran mixture were made, the attacks ceased almost immediately. We have

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received many letters from farmers and others in the West acknowledging the remarkable results secured by using this remedy.

Q. How do you apply it ?

A. Simply by spreading the mixture broadcast over the land.

Q. Not on the leaves ?

A. No, on the soil.

By Mr. Wilmot :

Q. After the crops have been sown ?

A. After the crops are above the ground and as soon as the caterpillars appear. They come in such enormous numbers that their presence is generally very easy to detect. This remedy which at first seemed to many, so unpractical that they would not even try it, has been found remarkably effective. It is worth the while of everybody who grows crops either in fields or in gardens to know of this mixture, for think it may be claimed that through its means there is now no difficulty in controlling cutworms, which every year do such an enormous amount of harm.

By Mr. Clements :

Q. In my district they grow a good deal of corn. I myself had a large field of corn, but of the first crop I never got even as much as a spear ; it was all cut down by cutworms before it came up through the ground. In such a case the remedy you speak of, I think, would not apply.

A. Yes, we have found it very successful in field practice, in just such cases as you mention.

Q. Does the worm cut the corn off before it comes up ?

A. No, but just after it is up. The cutworms hide in the soil during the day. They come out at night and crawl all over the surface looking for food, and cut off all kinds of young plants directly they appear above the ground. The mixture prescribed is made in the proportion of $\frac{1}{2}$ lb. of Paris green to 50 lbs. of bran.

By Mr. Lewis :

Q. Will not the cutworm eat corn before it appears above the ground ?

A. No, they eat the corn plants after the shoot appears above the ground. Wireworms will, but cutworms not until after it comes above the ground.

By Mr. Finlayson :

Q. Do you mix the Paris green and the bran dry ?

A. No, the bran is first dampened by sprinkling it with a little water or sugar and water and mixing thoroughly, you make the bran damp enough for Paris green to adhere to it. Salt may also be used instead of sugar, a few ounces to a gallon of water.

Q. You do not spray it ?

A. No, put it on by hand ; make the mixture dry enough to run through the fingers easily. You can use anywhere from 25 to 50 lbs. of bran to the acre. When the cutworms are abundant the larger amount is better.

By Mr. Lewis :

Q. Over an acre ?

A. Yes, that amount will cover an acre if scattered carefully. That was the amount used to the acre last season in the sugar beet fields of the West. For gardeners I consider this one of the best remedies that has ever been discovered.

By Mr. Wilmot :

Q. And the proportion of Paris green ?

A. One pound to 100 lbs. of bran.

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PLUM CURCULIO.

Q. What is the best remedy for the plum curculio ?

A. The plum curculio last season did more harm to the apple crop than to plums. There were very few plums in some parts of Ontario, and the beetles turned their attention more to apples than is usually the case. Spraying for this insect is not so effective as it is for the codling moth, but at the same time it always pays to spray, and the practice is now becoming very general of spraying orchard trees of all kinds in the spring with the combined Bordeaux mixture and Paris green—bluestone 4 lbs., fresh lime 4 lbs., Paris green 4 ozs., and water 40 gallons. This is a remedy which gives such good general results that it is not advisable for any fruit-grower who wishes to grow any of our tree fruits of good quality and for profit, to attempt to do so without using it.

THE ASPARAGUS BEETLES.

Another insect which did a great deal of harm last summer was the asparagus beetle which attacks the asparagus in the spring when it is ready for the market. This is a small beetle about one-quarter of an inch long, greenish black with 3 pale spots on the back, a red neck and a yellow margin to the wing cases. The mature beetles appear in spring and eat out holes in the sides of the asparagus heads, and injure their appearance very much. There are two kinds of these beetles which generally occur together, the one described above and another kind of the same size but scarlet with black spots on the back. The former of these beetles was introduced into America from Europe fifty years ago, the latter not till 1881, and both spread to Canada in 1898. They have done noticeable harm in western Ontario for three or four years. They were troublesome in Toronto last year and have now spread as far east as Ottawa. The chief remedy is to dust the plants during the summer with a poisonous mixture, such as Paris green and freshly slaked lime, or to spray them with a mixture containing soap to make it adhere to the plant. Much help can also be given by poultry. Young chickens and other poultry eat the beetles readily in the spring.

FARM WEEDS.

The question of weeds is one that is always of great interest to everybody, whether they are working gardens or farms. For many years special attention has been paid to this subject by the botanist of the experimental farms, and more recently by the Seed Division under Mr. Clarke, who has by his careful surveillance of all commercial seeds imported or offered for sale, been of immense service to the farmers of Canada. Through that department also a great deal of good has been done by distributing collections of weed seeds all correctly named, so that they could be recognized, and by pointing out to farmers the ease with which the seeds of weeds can be detected and recognized among crop seeds. Of course, the seeds of every plant have a characteristic appearance, and their recognition is simply a matter of enlarging them with a cheap magnifying glass, so that they can be more easily examined. All seeds of weeds can be recognized easily by examining the crop seeds in which they are contained. The effect of the Seed Division's work brought about a most marked improvement in the nature of the seeds offered for sale in the Canadian market to-day. In addition to this, considerable work has been done in distributing information with regard to the nature of the different plants. This has been done through public meetings and through letters to the newspapers and to individuals. The farmers of Canada are exceedingly interested in this matter. To meet the demands for information, the Minister of Agriculture has caused to be prepared through Mr. Clark's branch, a large and beautifully illustrated bulletin containing 52 coloured pictures of the worst weeds and 4 plates giving pictures of 80 weed seeds most likely to occur in seeds offered for sale or imported from other countries. It is hoped in this way to give valuable help

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to everyone interested in farming, concerning the nature and habits of weeds and the best methods of dealing with them, drawn from the experience of the best experimenters in all parts of the country. In every locality from 25 to 30 specially troublesome weeds will be found which will differ according to the locality and climatic conditions. All of these enemies can be controlled with greater ease if their nature is known. It is not worth while, perhaps, going into the nature of the different weeds here, but it may be stated briefly that they all come within three classes: plants that live for one year, those that live for two years and those that live for many years. According to their nature these different weeds can be controlled, and it is only by having this knowledge that we can get at a practical remedy. The statement I think can be made that there is no weed known, whether native or introduced, which cannot be controlled by putting this knowledge of the habits of the plant to use, and by the ordinary methods of good farming.

VALUE OF SHORT ROTATION OF CROPS.

One of the methods which has been found of the greatest use is the adoption of a regular short rotation of crops. In this way the land is maintained in fertility, it gets the proper amount of ploughing and harrowing to hold in moisture, and at the same time weeds are destroyed or prevented from increasing. An excellent plan is to use a three or four year rotation; seed down with grain, using plenty of grass and clover seed the first year, take hay and pasture the second year (or second and third year), plough up the sod in August, keep clean till winter, and the next spring sow to corn or roots. Such a rotation will clean land of the very worst weeds, as we have found at the Experimental Farm under Mr. Grisdale's management. Among the weeds that he has conquered in this way, I might mention the Perennial Sowthistle, with a deep running rootstock and producing an enormous quantity of seeds. Some weeds require special treatment, but with a regular short rotation land can be kept clean of most of the weeds that give farmers trouble. The Perennial Sowthistle I have mentioned is one of the very worst weeds, but Mr. Grisdale has found at the farm that with a three or even a four year rotation land can be cleaned of it thoroughly.

THE FIELD BINDWEED.

The Field Bindweed, which is a most incredibly persistent enemy, when once it gets established, is a deep-rooting plant with fleshy rootstock which breaks up when land is ploughed and every piece of it grows. This weed is by far the most difficult to eradicate that I know. The best remedy we can apply is a short rotation, with extra harrowing in hot weather, together with the introduction into the rotation of summer fodder crops, such as pease and oats to be cut for feed and fodder rape.

COUCH GRASS OR QUACK.

A weed which is frequently inquired about from all provinces in the Dominion is Couch Grass or Quack Grass. This is supposed by many to be the worst enemy the farmer has to deal with, but really it is not such a bad enemy after all. If only one will study its habits of growth he will be able to understand this. The Quack grass does not root deeply in the soil, but very near the surface; therefore shallow ploughing is the best means of destroying it, by throwing up the roots to the surface, so that they may dry out in the sun and air. Deep ploughing, which is frequently tried for Quack grass, merely replants it, and actually does more harm than good.

SWEET GRASS.

The Sweet Grass of the Northwest, on the other hand, which unfortunately is often spoken of as Quack grass, is a deep-rooting weed, and therefore cannot be stamped out in the same way as Quack grass, and, if the directions given for Quack

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grass, viz., to plough shallow, were followed, this would have the effect of increasing its vigour and making it worse than before. As a general principle deep-rooted perennials must be ploughed deeply in hot weather, so as to break up as much as possible their root system; after this, all leaves (which are their only means of feeding), must be prevented from forming by the frequent use of harrows and cultivators.

ENGLISH GROUNDSEL.

Some member of the committee inquired the other day about the English groundsel. I think it was a Nova Scotia member who made the inquiry. Mr. Clarke asked me to speak of it to-day. I may say that this is an annual weed which has been introduced into the lower provinces and is abundant there in many places. It also occurs occasionally in gardens through Ontario, being introduced, in such cases, with garden seeds from Europe; but it is unknown to farmers, as a rule. It occurs injuriously in British Columbia, where the conditions are somewhat similar to those in the maritime provinces. Being an annual weed which seeds abundantly, when it finds favourable conditions it spreads rapidly; but the remedy is a very simple one—keep the land thoroughly clean early in the season and after the crops are off in autumn. By this means it can be easily held in check if recognized and attended to. Weeds, like some insects, may increase unduly where they have not been recognized as enemies by farmers, until they become such pests that special measures must be taken to control them. Whenever reasonable treatment founded on the nature of the plant is given, every weed I know of must disappear.

By Mr. Wilmot :

Q. What is the appearance of the Bindweed?

A. It is like a small Morning Glory with a flower about as big as a twenty-five cent piece, pale pink and sweetly scented. The stems are low and slender and the leaves are arrow-head-shaped.

By Mr. Derbyshire :

Q. You seem to make light of this Couch grass. It is not so easily got rid of as that up our way.

A. I believe you tried some experiments in burning it?

Q. I had a gentleman tell me that he gathered the weed with his hands and burned it, and the ashes grew.

A. My friend, Mr. Derbyshire, told me this story some years ago and asked me what I thought of it. I said his friend had probably made a mistake.

WILD CARROT.

By Mr. Pickup :

Q. Do you know anything of the Wild carrot in Nova Scotia?

A. Do you refer to a plant with a white flower, or a yellow one? There are two plants sometimes spoken of as Wild carrot.

Q. No, a white flower.

A. That is the true Wild carrot. It is a bad weed in some places, particularly in old hay meadows.

Q. It has a long big root?

A. Yes, a deep tap root, but it is only a biennial, that is, each plant lives for two years only; and this must be remembered when devising means for destroying it.

Q. It gives trouble in pastures.

A. It is a biennial weed. Each plant just lives for the two years.

Q. This has been living for five or six years.

A. It may have been there a great many years; but undoubtedly each plant only lives for two years, but probably fresh seeds germinate when the land is broken up,

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or some fresh seeds may form every year on dwarfed plants or cut off stems which often throw up small shoots late in the year. Breaking up the meadows and re-seeding would soon clean them.

By Mr. Clements :

Q. What is the life of the Canadian thistle ?

A. I am afraid I am not old enough to answer that question, it will live a great many years if left undisturbed.

WILD MUSTARD.

By Mr. Finlayson :

Q. A weed you have not touched upon is the wild mustard.

A. In which province ?

Q. It is all through Ontario.

A. In Ontario the most practical treatment for wild mustard is undoubtedly spraying it when in flower, with a solution of bluestone in water, 10 lbs. of the former and 50 gallons of the latter. That will destroy every plant it touches, and will cost from 80 cents to \$1 an acre.

Q. At what season ?

A. Just when the flower is opening and the fields are beginning to look yellow. The mixture will not affect the crop amongst which the mustard is growing, and every mustard plant will be destroyed that the bluestone spray falls upon. In the Northwest this is not a practical remedy because fields are very large and water is sometimes hard to get conveniently. A more practical remedy, there, is harrowing grain crops after they are well up—the plants being about 3 inches high. Harrows and weeder of course cannot be used when grass and clover have been sown with the grain.

The following are among the most satisfactory formulæ for making the

LIME-SULPHUR WASH FOR SAN JOSÉ SCALE AND FUNGOUS DISEASES.

1. Lime.. . . .	12 lbs.
Sulphur, powdered.....	12 “
Water to make... . .	40 gallons.

Slake the lime with only enough water to do it thoroughly. Add the sulphur by dusting it over the lime while slaking; stir well and boil for at least an hour, adding only so much hot water as is necessary for easy stirring. When thoroughly cooked, strain through sacking, and apply hot.

2. Or the following, which is highly recommended by Mr. George E. Fisher, of Freeman, Ont.:—

Sulphur.... .	20 lbs.
Lime... . .	30 “
Water to make.... .	40 gallons.

3. Cook sulphur washes in iron pots or by steam in wooden vats or barrels; never use copper vessels either for cooking or for spraying sulphur washes from.

Having examined the preceding transcript of my evidence, I find it correct.

JAMES FLETCHER,
Entomologist and Botanist to the Dominion Experimental Farms.

TOBACCO GROWING IN CANADA.---AVAILABLE MARKETS.

HOUSE OF COMMONS,

COMMITTEE ROOM 34,

WEDNESDAY, March 27, 1907.

The Select Standing Committee on Agriculture and Colonization met this day at 11 a.m., Mr. McKenzie, Chairman, presiding.

The CHAIRMAN.—As you all know from the notice we received, we are to hear an address to-day by Mr. Felix Charlan, of the Department of Agriculture, on the subject of 'The Growing of Tobacco in Canada.' I have much pleasure in introducing that gentleman.

TOBACCO CULTURE IN CANADA.

Mr. CHARLAN.—Mr. Chairman and Gentlemen,—In July, 1905, I learned that the Dominion government desired to secure the services of a specialist in tobacco culture, who should look after the interests of that industry in Canada, giving his whole attention to production and the relations between grower and manufacturer.

The intentions of the government, and the offer of the position, were kindly communicated to me by the Honourable Mr. Brodeur, and I gladly availed myself of the opportunity to devote my energies to the welfare of the tobacco industry in Canada.

I arrived in Canada in the latter part of October, 1905. Believing that my first duty was to make a careful investigation of the conditions of the industry, in order to be in a position to indicate such improvements in the growers' methods, as I might consider necessary to render cultivation more productive and more profitable, I immediately started upon an inspection trip. In the course of this trip, I was much impressed with the national importance of an industry which, although still in its infancy, had already acquired considerable growth. I made notes of the different varieties cultivated, and of the various methods of cultivation, in both Ontario and Quebec.

My conviction, at the conclusion of the trip, was that Canada should easily supply a large proportion of the tobacco required for home consumption. This conviction has been amply confirmed by subsequent thorough examination of Canadian tobaccos, as well as by the different experiments in growing and fermenting which I carried on during 1906.

At the present time, the production of tobacco in Canada is limited to two large centres, which may be separately considered.

1ST. THE QUEBEC CENTRE.—There, the growing industry is confined chiefly to the counties around Montreal, and particularly those on the north shore of the St. Lawrence, that is, L'Assomption, Berthier, Joliette, Montcalm, Two Mountains, Rouville and Beauharnois.

2ND. THE ONTARIO CENTRE.—At present in this province the production is confined to the counties of Essex and Kent. But it may be rapidly extended, in the light and rich soils abundant upon the north shores of Lake Erie and Lake Ontario.

Strictly speaking, the aim of the Ontario grower is, already, to meet the requirements of the manufacturer. There are several varieties under cultivation in Ontario, but of these the 'Burley' variety constitutes the larger part of the total output of the

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province, and for it there is an established, good and steady market. The 'Burley' is of a rather thick texture. It requires a fairly long summer for its ripening, and above all a favourable fall, to cure properly. The southern part of Ontario affords these climatic requirements in a remarkable degree.

CHARACTERISTICS OF VARIETIES OF TOBACCO LEAF.

The 'Burley' variety is chiefly used in the manufacture of chewing tobacco—in plugs and other shapes—and the Ontario growers have of late considered the adoption of other varieties, suitable to the production of smoking tobacco, in view of the contingency of over-production of 'Burley' and a consequent decline in prices. The growers should certainly feel safer in taking up the cultivation of other varieties for which there is a demand at the present time, especially in eastern Canada. It is possible that this departure may bring the Ontario grower into direct competition with the Quebec grower, thus making the situation of the latter seem less secure. But the contingency of such competition is remote for it yet remains to be shown that smoking tobacco grown in Ontario possesses the qualities characteristic at the present time of the product of the province of Quebec. Moreover, the proximity of the centres of production to great manufacturing centres is an important element of success in this industry, and this element is one which must obtain for a long time in favour of the Quebec grower.

CHARACTERISTICS OF THE ONTARIO TOBACCO CROPS.

It is comparatively easy to define the characteristics of the Ontario crop, not so with the Quebec crop.

In Ontario, with few exceptions, we find perfect co-operation between the growers and manufacturers. This has made it possible to settle in a general way upon the variety or varieties to be grown to best meet the demands of the trade. In Quebec, on the other hand, there would appear to be considerable guesswork in the selection of varieties. A very large number of varieties are being cultivated, and many of them are far from being pure. They are tried in turn by the farmers, with alternating success and failure, according to the fluctuations of an irregular market, which is partly controlled by small dealers and sometimes even by the farmers themselves—the leaf tobacco trade.

However, some of these varieties are fated to disappear, and particularly such as the 'Burley' and 'Blue Pryor,' which yield a thick texture tobacco, ripening rather late. With the limited equipment which the Quebec growers at present possess, and on account of the possible shortness of the season of fine and mild weather after harvesting time—that is, about September 15—the varieties referred to are hard to cure. Still another variety which requires the limit of time of growth is the Connecticut Seed Leaf. On account of its fineness and silkiness, this variety is highly appreciated in the manufacture of cigars, but as it ripens late, it is exposed to the danger of fall frosts, which may occur before the time of harvesting it. Perhaps we shall be able to successfully grow this variety, if we can induce the growers to set their plants out as early as possible.

As to the varieties called Havana (large and small), Comstock, Spanish and Canelle, they are worthy of close attention. They ripen comparatively early, and yield an aromatic tobacco which, if well cared for, should meet the requirements for filler or binder in the manufacture of domestic cigars.

ERRORS IN PREPARATION OF TOBACCO FOR MARKETING.

It can be truly said that, so far as the tissue and the aroma are concerned, most of the Canadian tobacco presents distinct qualities. But there are also some defects, and these should not be concealed. They may be attributed to three chief causes :

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1. The haste with which some operations are performed, and the entire lack of grading.

2. *Errors in cultivation.*—Some varieties, of which the Connecticut is an illustration (a particularly light and fine tobacco), have been grown with a view to obtaining a heavy yield, thus causing a deformation of some of the most advantageous types.

3. Insufficient curing in some parts of the tobacco districts, and lack of care in the keeping over of the products and in the preparation for the market.

It cannot be doubted that marked and rapid improvements may be obtained. Already an active educational campaign has been started, in order to lay before the farmers, full and definite information in regard to the selection of the most profitable varieties and the means by which these may be grown and cured with the greatest possible degree of success.

Immediately after visiting the tobacco districts, I made arrangements for a series of lectures, in order to personally lay before those interested the substance of my observations, as well as the changes in methods which I deemed necessary to improve the situation. These lectures were given during the winter; advantage being taken of the meetings held in the tobacco districts by the delegations of other lecturers from the Department of Agriculture, who lectured on other agricultural topics.

These tobacco lectures dealt particularly with the following phases of the subject :

1. Necessary precautions to reduce to a minimum the production of low class products.

2. Best methods of culture, according to the variety, in order to obtain best possible cash returns, while keeping up at the same time the soil fertility.

3. General conditions governing the market, and the best way to take the fullest advantage of these conditions.

The suitability of the different varieties grown in the various districts have also been a subject of consideration.

It was decided to submit one of the Wisconsin varieties to a trial in Canada, and to this end a distribution was made of seed.

At the same time a beginning was made in the publication of a series of practical bulletins on the growing and handling of tobacco, of which two have already been issued and distributed. The first of these bulletins deals with hot beds and seedlings, calling the attention of the grower to the necessity of sowing on the hot beds in order to obtain plants suitable for setting out as soon as the land can be brought into proper shape. The purpose of the second bulletin is to correct certain mistakes in the use of commercial fertilizers; mistakes which in some cases have been the cause of the production of incombustible tobacco or of tobacco with a poor quality of tissue. These two bulletins deal only with general subjects, and I was therefore able in a short space of time to prepare them for publication. Before issuing further bulletins, I desired to make myself thoroughly familiar with the various conditions governing the industry in Canada, and to learn the needs of the growers, so as to be able to give instruction and information along the exact lines required.

Meanwhile, however, in order to deal with the most urgent needs, and for the benefit of those farmers who had not been able to attend the winter series of institute meetings, a series of articles was prepared for the agricultural press of Ontario and Quebec. These articles dealt in a general way with the care to be given to the crop, from the time of setting out the plant, to the delivery of the products to the merchant or manufacturer. They were prepared from time to time, and sent out at intervals to the agricultural press, as stated, as well as to a number of daily papers of the two provinces.

AN EXPERIMENTAL TEST OF FERMENTATION.

During the winter of 1905-6, an experiment in the fermentation of Canadian tobacco was undertaken, with products grown in the Montcalm district. A decided im-

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provement was noticable in the quality of the tobacco after being submitted to this process. No doubt we are still very far from perfection, but still enough has been accomplished to favour the repetition of the experiment, and to give us good hope of arriving at a satisfactory solution. When the experiment was concluded, some samples of the product, both in the shape of smoking tobacco and cigars, were distributed throughout the country for submission to the judgment of the public, to make Canadian tobacco known in a form not hitherto put upon the market. Some of the fermented tobacco, in leaf form, was also sent to the Canadian cigar manufacturers. The general opinion was that this tobacco was a little too strong, and in some cases too thick. The aroma and the taste, however, were pronounced of a sufficiently high standard to give us the hope that, at some future time, a good proportion of it will be used in the manufacture of domestic cigars. But it will be necessary to modify the methods of growing in order to obtain a lighter leaf.

A large sample was sent to France, to be submitted to the judgment of the experts of the tobacco administration. It was found worthy of consideration. The tissue was said to be of good quality, sometimes rather thick. The aroma was not judged to be sufficient for an exotic tobacco, and the taste was found slightly bitter and flat, though not disagreeable.

It should be mentioned in this connection that the tobacco submitted for trial was still young, and would doubtless have improved with age, after undergoing the ripening which takes place in packages.

The tobacco experimented with belonged to the Comstock Spanish variety, the products of which have a rather pronounced taste of the soil. There can be no doubt now that a lighter tobacco would have been obtained with the Connecticut variety, and a more aromatic one with the Havana Seed Leaf; but the Comstock variety was selected on account of its earliness, a precious quality with the climate of the province of Quebec.

In further experiments, the process of fermentation will probably be modified, as it is believed that a more intense fermentation, would give a milder product, less intoxicating, and with a better aroma. This question of fermentation now remains with the Canadian manufacturers. They will doubtless take up the process as soon as the conditions are more favourable.

EXPERIMENTAL STATIONS TO ILLUSTRATE THE GROWING OF TOBACCO.

We also undertook an experiment in the growing of the variety Comstock Spanish, and for this purpose some samples of the seed of this variety were distributed among the agricultural clubs in the tobacco districts.

Introduced during the preceding year, this variety had generally met with favour, and it was proposed to submit its value to a thorough test, and to ascertain as nearly as possible what it could yield in the hands of Quebec farmers. The clubs to which seed has been forwarded have been asked to report on the results obtained. So far, the few reports received are favourable, but we prefer to wait for further information before endorsing the use of this variety.

Arrangement was also made for the establishment of illustration stations, both in Ontario and in Quebec, in order to illustrate the superiority of particular methods of growing tobacco, with a view to obtaining a greater yield in weight, a fineness in light varieties, and to ultimately reduce the exceedingly high percentage of quantity of inferior products.

These experiments were partly spoiled by a prolonged drought and the only really successful plantation is situated outside of our official radius. It shows in a conclusive manner the merits of the Comstock, so far as earliness is concerned, and the superiority of close planting in order to obtain fineness of products and a heavy yield in weight. However, these data are only the result of the estimate made in the field, and such is always largely approximate. Complete data will be secured from the farmers at the end of the curing period.

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In order to check the data obtained from the growers who were entrusted with these experiments, a similar experiment was also carried on at the Central Experimental Farm. The tobacco secured from the latter has been sold to a Canadian manufacturer, in whose establishment it is being treated at the present time.

Such, Gentlemen, is the account of a year's work. Devoted chiefly, as you will have observed, to a study of the conditions governing the tobacco industry in this country; and this study has left me little time for experimental researches. I wish now to dwell more at length upon certain features of the industry in order to give you a clear idea of its future.

THE PROSPECTS FOR A FUTURE TRADE IN TOBACCO.

In Ontario, the outlook is very promising, the Burley variety which forms the base of the production, gives products eminently suitable from manufacturing point of view, and yields large returns to the grower. The production is continually increasing, limited so far only by the home consumption. The latter is still comparatively small. But it may safely be predicted that its increase will be more than proportionate to the increase in population of Canada, as most of the adult immigrants use tobacco.

Probably before a long time the Ontario growers will also take up the growing of some varieties of smoking tobacco, and by so doing will be able to increase the area devoted to the cultivation of tobacco, even before the consumption of Burley increases; but I do not think the Quebec grower need worry over this prospective competition.

The situation of the Quebec grower is also satisfactory. Cash returns for the crop are generally good. However, it may be well to state in this connection that these returns are based upon rather high prices, not always justified by the quality of the products.

The leaf tobacco trade is responsible for this state of affairs. Both the consumer and the grower are, in a certain measure, benefited by this trade: the consumer because it enables him to get tobacco at a much lower price than he would have to pay for a good manufactured brand, for this low-priced product is unfinished and very often of poor quality; and the grower because he secures thereby a rather high price for a product to which, in many cases, he has given very little care. But it is obvious that the Canadian manufacturing industry is severely handicapped by this state of affairs, and the development of our tobacco trade suffers in consequence, because the wide distribution of our products throughout the Dominion, and the increase in the home consumption of these tobaccos, depend entirely upon the efforts of the Canadian manufacturing industry.

The marketing of fairly large crops at the right time is often a matter of considerable difficulty with the Quebec growers. No manufacturers or agents make any offer to buy until the prices have suffered a sharp decline, and the owners of the crops have to wait until such a time, or else dispose of their products in small lots to the retail trade. Meanwhile, they suffer considerable loss and run the risk of injuries to the tobacco to which it is subject if held over the winter season.

I venture to make the assertion, that some of the varieties grown at the present time in the province of Quebec will probably constitute the basis of the home industry, in smoking tobaccos and domestic cigars. However, under the conditions actually prevailing, products of superior quality are rather scarce, or at least are lost sight of in the bulk of ordinary products. Therefore, when such products are to be met with, only by accident, it is rather a difficult matter to make a strong case in favour of the quality of our tobaccos.

For some time past, a few progressive manufacturers have made use of Canadian tobacco in the manufacture of cigars. I had the opportunity of testing some of these trial cigars, and I must say, that, so far as lightness, fineness of aroma and combustibility are concerned, they left nothing to be desired; and they were certainly far superior to some brands, bearing the label of imported tobaccos, which are offered on

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the market at the present time. With new tariff conditions, or legislative measures, we may hope to see a rapid growth of all branches of the Canadian tobacco industry, and then we shall be able to give the farmer more definite instructions in regard to the most desirable varieties.

REQUISITES TO RAISING THE STANDARD OF TOBACCO LEAF.

For the future, it seems desirable that the following programme be carried out:—

1. Improvement of local varieties by good methods of cultivation. Selection may play an important part in this work; but in some cases more rapid results will be obtained by going back to the original types of the variety and distributing the seeds of the best of them throughout the country, care being taken to acclimatize them, under such conditions that they may retain all of their desirable characteristics.

2. Adaptation of desirable foreign varieties especially with a view to supplying products suitable for the manufacture of cigars. Havana seed is desirable, whether for fillers or binders; and Connecticut for binders. It will be necessary to closely watch the evolution of the varieties under the conditions of our Canadian climate and endeavour to 'fix' their characteristics when they are in a proper condition to be utilized by the local manufacturing industry. This work will chiefly consist in the acclimatization of the purest possible foreign varieties, and the distribution of the latter, in the districts affording the best and most suitable soil and climatic conditions.

Part of our work should also consist in endeavouring to provide the Canadian growers with varieties combining both qualities of earliness, and suitability for manufacturing purposes. The two conditions are indispensable, in order to insure regular and sufficient returns to the Canadian grower, as well as a regular supply of suitable products to the Canadian manufacturer. This work will be done by following the various processes of selection and hybridization. Such operations are rather delicate, and may require a long time. In undertaking them we shall be guided by successful experiments, lately carried out in other countries.

It will also be necessary to carry on an educational campaign, in order to give the growers instruction on the following lines:—Care and management of the different varieties, so as to secure them in the best possible condition; adoption of rational methods of cultivation in order to increase the yield in weight per acre (much too light in certain districts) and improve the general quality of the products; keeping up of soil fertility. In certain districts, the attention of the growers will have to be called in a special manner, to the danger of exhaustion of the soil, exhaustion which has already manifested itself at some points, and which might seriously affect the tobacco industry.

It is to be expected that the production of tobacco in Canada will not remain confined to the districts where it is located at the present time. Numerous requests for information show that it is being tried in other parts of the country. Every day new districts of more or less importance are being discovered and out of the number some will certainly be found offering conditions as favourable to the success of the industry as in those districts where it had its first start. We may also expect, unless the increase in consumption is extraordinarily rapid, to see the growing of tobacco carried on upon a smaller scale than heretofore by the different growers. More intensive and better cared for cultivation will mean a heavier yield to the acre, a better quality of products, and will leave the land in better condition, as it will render possible the adoption of a rotation and the more frequent use of manures.

IMPORTANCE OF ILLUSTRATION PLOTS.

It is also part of our programme to establish illustration plots in both of the provinces where the production of tobacco is centralized. These plots will have a two-fold object: in the first place, they will enable the growers to see with their own eyes the results secured by the methods which we recommend and thus the merits of the

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latter. In the second place, they will afford us valuable information as to the value of some varieties in the districts where the plots will be laid out.

A great advantage of illustration plots is that they may be laid out in any district where educational work is needed, and removed from point to point as necessary. They enable us to bring education home to the farmer, in the most economical way possible. It will also be advisable to endeavour to localize the growing of certain varieties so as to establish a reputation for the tobacco of each district. With the increased facility for long distance transactions, and the grading of the products, this reputation should contribute powerfully to the prosperity of the different tobacco growing centres of the Dominion, really worthy of their name.

In this address I have thought it advisable to define clearly the rather sharp lines of distinction between the Ontario crop and the Quebec crop, but it may be well to point out in this connection that this comparison does not, in any way affect the quality of the products. When the nature of the products is different, as in this case, no comparison can be made with fairness.

So far as money making is concerned, the growers are doing equally well in both provinces ; and in that connection the best growers in Quebec have no reason to be envious of the most skilful growers of Ontario.

CO-OPERATION BETWEEN GROWERS AND MANUFACTURERS.

However, in certain parts of the Dominion, the industry suffers from a lack of co-operation between growers and manufacturers, and great progress will be made, when normal relations exist between the two parties.

The manufacturers' part, in the economy of the tobacco industry, is to prepare the products and send them to distant markets, and direct the excess of production, of a certain district, towards a less favoured and non-productive centre. But, to perform this part efficiently the manufacturer must be able to depend upon a regular supply of products suitable for his purposes, and readily available. To meet these requirements must therefore be the grower's aim. By so doing he will gain a better and steadier market, and at the same time remove the risk of local congestion which may happen in some districts, not on account of a deficiency in the quality of the product, but on account of a lack of proper understanding or co-operation between grower and manufacturer.

Mr. Ross (Yale and Cariboo).—We are all intensely interested—and particularly those identified with tobacco culture—in this very valuable paper which has just been presented to us ; but Mr. Charlan should not have made the mistake that a great many people make of treating the provinces of Ontario and Quebec as the whole, or the most important part of Canada. He is an officer of the Department of Agriculture, and he ought to know that the province of British Columbia produces tobacco to-day such as cannot be grown in the provinces of Ontario and Quebec ; tobacco equal to anything that is grown in the United States, and equal to anything that is produced outside of Havana. Mr. Charlan should make a note of this, and when he establishes illustration stations in Ontario and Quebec, to encourage the production of tobacco, he ought to remember the large and promising field for tobacco cultivation in the province from which I come ; larger, in fact, than in either of the other two provinces named, and not forget British Columbia, where tobacco is grown that can be smoked with a great deal of pleasure.

Mr. BLACK.—I hope that the experiments of Mr. Charlan will extend as far as Nova Scotia. It has long been the opinion of agriculturists in that province that there are many parts of Nova Scotia where the soil is particularly rich and adapted for the growing of the tobacco plant, and I would like to have that tested in some way or other, either at the Experimental Farm, or on some of the areas I referred to. There are large areas in the counties of Cumberland, Hants, Kings, Annapolis and Colchester, upon which ever since the 17th century crops of English hay and grain have been grown without a pound of fertilizers ; some of them for over two hundred years, some

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for one hundred and fifty years, and some for one hundred years. We have an idea down there that the soil in the districts mentioned is particularly adapted to the growing of the tobacco plant, and I would like very much if some experiments were made along that line.

MR. CHARLAN.—I am quite aware of the development of the tobacco industry in British Columbia. I have seen samples of tobacco grown in that province which were of excellent quality, and I think that part of Canada is one of the most promising for the tobacco industry. It so happens, however, that the provinces of Ontario and Quebec have taken most of the comparatively few months that I have been in Canada. In the limited time at my disposal, I could not spare the fifteen days which a journey to British Columbia and back would occupy ; but I hope to visit that province in the near future. As to the province of Nova Scotia, I am quite prepared, with the consent of the minister, to undertake experiments in the growing of tobacco there. I am doubtful, however, whether it would be possible to raise good tobacco in Nova Scotia, for the reason that tobaccos grown in the neighbourhood of the sea do not appear to have the necessary combustibility. They do not appear to burn as well as they should to be classed as good tobaccos. This defect is due to the presence of saline compounds, with chlorine as a base, in the atmosphere and in the land.

So, far, I have been giving my whole attention to smoking tobacco, because I find that variety requires more care than chewing tobacco. The chewing tobacco industry has already been well established in the province of Ontario by the cultivation of the Burley variety ; but a great deal remains to be done, in the direction of improving the quality of smoking tobaccos, especially in the province of Quebec. For this purpose we need chiefly lighter tobaccos. However, the work which has been done already has given good results, some manufacturers having observed quite an improvement in the tobacco brought to the market ; and it would seem that there is an increase in the proportion of light tobaccos.

We cannot think of exporting our tobacco to France or to any other country just now, because it is not possible at present to compete with American tobaccos. Higher prices are paid in Canada for unprepared home products than the United States can secure for export tobaccos, which have received special treatment in order to meet the demands of the trade.

MR. BERGERON.—I don't think you intend to convey the idea that Canadian tobacco is of a cheaper quality than the American, but that it is sold cheaper ?

A. American tobaccos are sold in France in large quantities, although some are found to be rather strong in flavour. An expert there assured me that if we could supply lighter tobaccos from Canada, at a reasonable price, a large market would be open to us. This American tobacco, however, sells in France at from 9 to 10 cents a pound ; whereas our Canadian tobacco, although not so suitable for foreign market under its present conditions, brings a higher price at home ; so that competition is impossible.

GRADING OF HOME-GROWN TOBACCO LEAF.

MR. CLARKE.—Is that in the leaf ?

A. In the leaf. What we can do, is to grade our tobaccos. At present they are not graded. The first grade should be supplied to manufacturers for the production of domestic cigars and smoking tobacco. The second grade could be exported and sold on foreign markets for special uses for the same price as some American tobaccos—similar to ours in some respects—sell for to-day. We could easily export five or six million pounds. This is nothing, compared with the quantity imported by France, which amounts to over fifty million pounds annually.

What is wanted in connection with the great tobacco industry to-day is to establish a regular market. Some Quebec growers keep their tobacco for far too great a length of time. I have visited some growers who had kept their crop of 1905 until the month

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of March or April, 1906. The quality is liable to be injured when tobacco is kept for that length of time without special care. It will be far better to sell the tobacco early, before winter, if possible. This could best be done by the grower acting in co-operation with the manufacturer, the former endeavouring to supply the right quality of tobacco.

Mr. BERGERON.—Are we to understand that the American tobacco which sells in France for nine and ten cents a pound is inferior to our Canadian tobacco ?

A. The tobaccos exported from the United States meet some requirements of the foreign markets, and they are prepared specially for export. The tobaccos offered for sale by the Canadian farmers contain a heavy proportion of products of inferior quality which should never be placed upon the market. An endeavour should be made to reduce that proportion as much as possible. However, such as it is, this tobacco sells in Canada for a higher price than the average quality of American export tobaccos. And yet, with better care in the growing of the tobacco, still higher prices could be obtained on the home market. For export, it will be absolutely necessary to do some grading. Then, the best quality would be sold on the home market at as high a price as possible, and the second and third grades could be exported at satisfactory prices.

Having examined the foregoing transcript of my evidence I find it correct.

FELIX CHARLAN,

Specialist in Tobacco Culture, Department of Agriculture.

PROGRESS OF AGRICULTURE IN CANADA.

HOUSE OF COMMONS,

COMMITTEE ROOM 34,
Wednesday, February 6, 1907.

The Select Standing Committee on Agriculture and Colonization met here this day at 10.30 a.m., Mr. MacKenzie, Chairman, presiding.

Dr. WILLIAM SAUNDERS, C.M.G., Director of the Dominion Experimental Farms, was present by request of the Committee, and addressed the members upon 'The Progress of Agriculture in Canada and the Extension of the Experimental Farm System,' as follows:—

Mr. Chairman and Gentlemen, the subject, I believe, which is on the Order Paper for me to speak to you on, is the 'Progress of Agriculture in Canada and the Extension of the Experimental Farm System.' Since the work of the Experimental Farms first began in Canada in 1886, twenty years ago, great changes have taken place in farming in this country, also in the relative position which the farmer occupies in the community. At that time farming was looked upon as a sort of drudgery which was all very well for dull, slow-going people, but those who had education and skill were generally advised to adopt some other occupation. Now, that has entirely changed, and there is no man who undertakes farming who can bring too much information to bear on his work. The farmer needs all the training and skill he can get to enable him to make his work successful, and the farming industry now engages the attention of a large proportion of the most intelligent people in the community.

In the early days of farming in Canada, it was very fully recognized that one of the great drawbacks to the farming occupation was that the farmer himself was not sufficiently educated, that he had not enough skill to carry on the many lines of work which devolved on him as a farmer, with advantage and with profit. There was then no Department of the Government or other institution, to which the farmer could appeal when he was in difficulties or desired to find out what course he should take to overcome these adverse conditions.

THE EXPERIMENTAL FARMS AS SOURCES OF INFORMATION.

After the establishment of the Experimental Farms this was changed. The Experimental Farms became bureaus of information to which the farmer could apply in cases of difficulty, and where he could get such help as it was possible to give in the way of information. In 1889—that was soon after the farms were established—it took about two years to select the farms and to put up the buildings and to get into operation; but in 1889, the first year in which we may consider they were fairly at work, the correspondence aggregated 8,000 letters in all. During the past seven years there has been an average of 68,797 annually, showing the wonderful growth which has taken place, and the freedom with which the farmers make use of these institutions for their advantage.

On the farms experimental work is being conducted continually, and at the close of each year the Annual Report, which is full of information, for the farmer is pre-

pared. Besides the Annual Report, occasional bulletins are published (of which I have brought a few samples) dealing with special subjects. The edition printed of all these publications now is 64,000. We have a permanent mailing list of about 62,000 Canadian farmers, and we have a foreign list which uses up a large part of the remainder. About 1,500 are sent to foreign correspondents and to libraries in all parts of the world where these publications are in considerable demand. With our large correspondence and the issue of these annual reports and the bulletins from time to time, a constant stream of information is going out to Canadian farmers in every part of the country, and putting the bulletins and reports together, there are about 300,000 copies of useful agricultural documents sent out to the farmers every year.

It would be unwise to claim too much for the Experimental Farms. They were the first helpful institutions established by the government of Canada for the farmer, and hence have occupied a prominent position in the eyes of the public. Subsequent to their establishment, there have been a great many other departmental branches established which are exceedingly helpful to the farmers—there is the Dairying Branch, the Veterinary and Live Stock Branch, the Cold Storage Department, the Seed Division, the Fruit Division—these are all branches of the work in connection with the Dominion government—and then there is scarcely a province in the Dominion but what has done a great deal for the farmers of their own particular province, notably Ontario, which has its Agricultural College, its live stock associations, dairy-men's associations, fruit growers' associations, and its horticultural and agricultural fairs and institutions; all these have helped. Other provinces have followed the lead of Ontario, and Farmers' Institute, which are really one of the most helpful of all the provincial institutions, have been established in nearly all the provinces. All these have been helping to build the farmer up and to relieve him from the condition of comparative apathy and dullness which existed twenty years ago.

Besides the help which has been given to the farmer in the way of information, the great improvements which have taken place in agricultural implements have helped him very much. Now he delegates a large part of the heavy labour, which he used to do himself, to the horses, and sits on the implement and gets through the necessary operations of cultivation, seeding and harvesting, with comparatively little labour for himself. Improved implements have also led to the more careful and better cultivation of the soil, so that the land has been more responsive to the efforts of the farmer, and has given him more abundant and profitable yields.

By Mr. Lewis:

Q. Do you have any more applications for these bulletins and reports than you are able to supply?

A. We usually have enough to supply individual applications, but occasionally applications are received for a considerable number of copies from Members of the House of Commons, from Senators, and other public men in different parts of the country, for them to distribute, but no provision has been made by parliament to supply these. Indeed, I do not think that much additional distribution in that way would be very judicious, for the reason that in many instances those copies thus sent from individuals would reach the same parties who have been already supplied direct from the farms on account of their being on our mailing list.

Q. I am referring to the mailing list, do you send to all on that list?

A. Yes.

Q. How old is that list?

A. It is being constantly revised. Every publication that goes out has a request on the envelope to the postmaster, that in case of the removal of the party to whom it is addressed, from the neighbourhood, or his death, or if the publication is not called for, to return it to the Experimental Farm, and if it is so returned, that name is removed from the list.

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Q. Is that request complied with, do they return the publications ?

A. Yes, they are quite frequently returned, when the name is at once erased. There may be individual instances where from oversight the postmaster may not promptly comply with our request, but, as a rule, it is very faithfully carried out. Then, we are always glad to supply any member who wishes to look over the mailing list in his constituency, with a copy of the list: and if he wishes, he can add a reasonable number of names to the list, which with the revision which is constantly going on keeps it pretty well up to date. Each edition of the publication is sufficient to meet the requirements of the mailing list and to leave a small surplus over, but not enough to enable us to send out and considerable number of copies to every applicant who may ask for them.

By Mr. Wright (Renfrew):

Q. The postmasters are only too glad to return the publications that are not called for or delivered, because they do not want to have them continually coming when there is nobody to take them?

A. I should judge, from what is sent back, that the postmasters are careful to comply with our request.

By Mr. Armstrong:

Q. Do I understand that the list made out some three or four years ago is still being used, that any one getting on the list three or four years ago is still being supplied with the publications ?

A. Yes, a farmer who has once got in touch with the Experimental Farms is exceedingly glad to be left on the permanent list. There are a limited number of copies sent out by members, and if a member applies for a few copies, we do the best we can to meet his wishes and send him whatever we can spare. Every year we have some applications from people who say, 'I got a report from you two or three years ago, but have not had one since, how is that?' They have the idea that the report in every instance comes from the Farm, and when members of the House of Commons send a report one year and do not continue sending to the same farmers, there is much disappointment. The reports are much appreciated by the farmers, everywhere, and we think that the best way to help them is to keep them in touch with us by supplying them with all the publications that are issued from the Farm. Hence the mailing list kept at the Experimental Farm is a permanent one, which is only altered by the removal or death of the individual.

By Mr. Lewis:

Q. What is the number of pamphlets that you issue in each year?

A. Over 300,000 a year.

Q. Is that number increasing?

A. Yes. I do not suppose there is a day in the year we do not add to the mailing list; it is increasing quite rapidly. The edition of each pamphlet or bulletin was a few years ago 50,000, but we have been obliged to increase the number from year to year, until it has now reached 64,000. This has been necessary in order to keep up with the increase of the mailing list, which is now growing from 1,000 to 2,000 each year.

Q. Do you mean to say that you publish 300,000 of each pamphlet or bulletin?

A. No. I mentioned just now there are 64,000 copies of each bulletin published.

IMPROVED METHODS IN CULTIVATION.

Among other things which have conduced to the advancement of the agricultural industry in the eastern provinces has been improvement in the management of the soil, the more general introduction of fall ploughing, which was scarcely practised at

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all twenty years ago. This permits of early seeding, which is of great advantage and results in larger crops. Besides that there is the ploughing under of clover, which is much more generally practised than formerly, and other means which have been adopted to enrich the soil and bring it into a better condition of tilth. These have all been exceedingly helpful and have brought the crops of the eastern provinces up to a very good average condition, where they compare very well with similar crops in other countries.

COMPARATIVE ACREAGE YIELD OF CEREALS IN VARIOUS COUNTRIES.

I thought it might interest you, were I to give you a few figures showing how the main crops of Canada, taking wheat, barley and oats, compare with those of other countries, especially those countries which compete with us in the markets of the world. In Great Britain, which, although not a competitor, is a large buyer, the average wheat crop is 30.95 bushels per acre. In Ontario, the average of winter wheat is 22.50 and of spring wheat 18.92, showing that we are not, in this respect, so very far behind the mother country; France, which, although not a competitor with us, is often cited as a country of great progress in agriculture, averages 19.57 bushels, which is under the average yield for Ontario. Manitoba gives about 18.45, the Canadian Northwest, 19.13, while Russia in Europe gives an average of 9.05 bushels per acre, and the United States, 13.43. The Argentine Republic, which is now sometimes a keen competitor with Canada in the markets of the world, gives an average of 14.76 bushels per acre. Our Australian competitors that are sometimes cited as formidable, have very small crops: New South Wales has an average of 9.9 bushels per acre; Victoria, 7.18 bushels per acre; South Australia, 6.62 bushels per acre; West Australia, 11.51 bushels per acre; and Queensland, which, however, does not grow wheat very largely, 15.77 bushels per acre. Hence it will be seen that the average of the wheat crop in Canada is well above that of our competitors.

In oats, which is perhaps almost as important a crop with us as wheat, we have gone a trifle higher in Ontario than the yield in the mother country. Great Britain gives an average of 39.06 bushels per acre of oats, and Ontario gives 39.60 bushels. That is much higher than Ontario was twenty years ago, and the improvement in the method of farming, in the character and quality of the grain and the productiveness of the varieties, has been perhaps more remarkable with regard to oats than it has been with reference to any other grain.

By Mr. Blain:

Q. What is the fact—is the average increase in wheat and in other cereals greater in Ontario than it was ten or fifteen years ago?

A. The gain, I think, has been a steady one, although not very heavy. I will not say that it has occurred every year, but take five-year averages and compare them with the previous five years, and I think you will find that the gain is steady.

Q. Will that same answer apply to the other provinces?

A. We have not the same means of judging of their progress on account of their having no statistics except from the ten-year census, and if that year happens to be a bad year, as it sometimes is, it gives an unfair impression of the crops of the eastern provinces in the eyes of the world. With regard to the western provinces there is a gain, I believe, although the records have not been kept long enough there to enable us to compare them as in Ontario.

The oat crop of Manitoba averaged 38.60 bushels per acre in 1906, and for the Northwest it was 34.76; they all come up very close to the oat yield in Great Britain.

I might say that Great Britain has the largest average for wheat in the world, Germany coming next with 28.25, but in oats Germany, with 39.69 bushels per acre, does not go very much above the average in Canada.

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By Mr. Lewis:

Q. How are the States in regard to oats?

Q. The United States give 29.15 bushels as the average per acre from the whole country, as against 39.60 bushels for Ontario, 38.61 for Manitoba, and 34.76 for the Northwest.

By Mr. Wilson (Lennox):

Q. There are certain districts which are very well adapted for certain kinds of grain, which, if sown elsewhere, do not yield as heavily and thereby the average is reduced?

WINTER WHEAT VS. SPRING WHEAT IN ONTARIO.

A. Yes, that is a point well taken. In regard to Ontario the yield of winter wheat is 22.50 while that of spring wheat is only 18.80 bushels to the acre. If the winter wheat, of which we have much the larger area and which gives the higher yield, were alone considered, Ontario would make a better showing. These figures I have quoted from a recent report of the Royal Highland Agricultural Society in England, and I believe they are reliable.

By Mr. Lewis:

Q. Can you give us any comparisons regarding the quality of the wheat produced by these different countries?

A. The quality of the crop is not so easily expressed as the quantity. The quality of a wheat is believed to vary in proportion to the quantity and quality of the gluten it contains. In the Canadian Northwest the quality is of the very best, and the hard wheat grown there is much in demand for mixing with the flour of other sorts inferior in strength, so as to bring them up to a desired standard. The wheats of the Northern United States are also very good, and so are some of those grown in the northern parts of Russia. In most other wheat-growing countries the grain is more starchy in its character, and the quality does not rank so high.

With regard to oats, it is usually found that where the largest crops are grown, the oats are the finest and the plumpest.

Q. We had a statement made here by a gentleman the other day in reference to the quality of wheat when grown far north?

A. The quality, of course, varies considerably, but excellent wheat is grown in most of the northern parts of Canada. That, I presume, is a subject which will be taken up by the Cerealists of the Experimental Farm, who has paid special attention to that line of investigation and is more familiar with it than I am.

Q. It was stated by Professor Macoun that the farther north wheat grew, that same grade of wheat grew better and stronger than when grown farther south?

A. In a general way, that is probably true, but it would be difficult to prove or to disprove until we have had larger experience. Red Fife, which is without doubt our best wheat, and which ripens well over a large area in Canada, when taken far north does not always ripen. Take, for instance, the Peace River district, about Vermilion, where, last year, the crop of wheat amounted to about 5,000 or 6,000 bushels. They cannot ripen Red Fife wheat there successfully year after year, and are obliged to grow an earlier ripening variety. Many years ago, when the Ladoga wheat was first introduced, samples were sent up to that country, and their entire crop now is Ladoga, for the reason that it ripens a week or ten days earlier. This wheat is all used locally; none of it is shipped out of the country. If it were, it would command a price somewhat less than the Red Fife, as it is not equal to that variety in quality and the colour of the flour made from it is somewhat yellow. Hence the statement referred to would need to be discussed in connection with the possibilities of the several climates

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for ripening the different varieties. It is possible that Red Fife, if it could be ripened there, might be better than if grown farther south.

Q. It was more in reference to the opinion that the farther north it would grow, the better it was?

A. I do not think that is quite proven, because we have found Red Fife grown at Ottawa to be sometimes better than that grown at Indian Head. That, however, is a matter the Cerealist will be prepared to discuss with you later on. We are trying, at the Experimental Farms, to subject everything, as far as possible, to test, and we have no proof as yet to fully substantiate this statement.

By Mr. Armstrong:

Q. Have you any new varieties of spring wheat to offer to the Ontario farmer in advance of what he has been using, varieties that have been fairly tested?

A. Yes, I think we have. The Preston is a very good wheat, and Stanley and Percy are also good varieties. The Pringle's Champlain is another promising wheat we have been testing in different parts of Ontario. All these are better than some of the wheats grown in Ontario, but these different sorts require further testing as to the quality of the flour for bread-making before their exact relative positions as to value can be determined.

Q. When the same grain is sown year after year, does it degenerate?

A. We have not found that to be so, when the soil is kept in good condition.

Five years ago we had over 70 varieties of wheat under test. The number under test in the uniform trial plots for 1907 will be 14. We have had to devote a great deal of time and labour to finding out the quality of these different kinds of wheat, with the view of growing only the best. We have now got through with most of that work. In the meantime, we have been cross-fertilizing and selecting, and have quite a number now of very promising varieties of wheat, among which there will no doubt be some that would be very useful in Ontario. It is, however, slow work, as a beginning must be made in each case with a single kernel. Then enough must be produced for grinding and testing the flour and baking bread, before we can ascertain whether the wheat is of a sufficiently high quality. We do not want to introduce wheats to general cultivation until we are thoroughly satisfied of their value.

Q. How long does that take?

A. Probably eight or ten years.

Q. That is a long time to wait?

A. Yes, it is.

Q. Do I understand that you have not been able, in the last eight or ten years, to give the farmers varieties in advance of those varieties which they had previously?

A. Yes, I think we have. During that time we have introduced several better kinds of early ripening wheats produced during the earlier experiments made eighteen to twenty years ago. There is no doubt we are making excellent progress in that line of work: there is no other institution in the world that I know of which compares favourably with the Experimental Farms in the amount of good work done in originating and introducing new varieties of grain. Canadian grain has a high reputation throughout the world.

TRIAL GROWING OF CANADIAN RED FIFE WHEAT, IN ENGLAND.

We have supplied the English Home Grown Wheat Committee with seed of the best varieties of wheat grown in Canada, with a view to introducing them generally into cultivation in England. They have wonderful success there in growing Red Fife. We were very fortunate in having had the Red Fife, which seems to stand at the head of all the wheats thus far tested, introduced early in this country. It has lately been shown from investigations made by the Cerealist at the Experimental

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Farm that the Red Fife is grown in Europe under the name of Galician Summer. It was accidentally brought to this country, where it fell into the hands of David Fife, whose name it took, and through his efforts it finally became generally known in Canada. The high quality of this variety in Europe, where it is known as Galician Summer, does not seem to have been fully recognized. The Red Fife sent from the Experimental Farm to the English Home Grown Wheat Committee has done remarkably well, and has been the means of calling general attention in Great Britain to the high quality of Canadian wheats. Only yesterday I received a copy of a letter which appeared in the 'Times,' calling attention to this matter.

By Mr. Wright (Renfrew):

Q. Is that the London 'Times'?

A. Yes, the London 'Times.' It refers to the Canadian wheat sown in Great Britain and to the experiments which have been tried by sowing that which is a spring wheat with us as a winter wheat there. It cites an instance of a crop that was sown at the rate of two bushels per acre in the last week of February, and although the soil consisted of little more than three inches of loam on the top of a chalk subsoil, the results exceeded the most sanguine expectations of the farmer who made the experiment. The crop yielded rather over 43 bushels per acre, weighing 65½ pounds per bushel, which is a substantial increase over the average crop of Great Britain of 30.95 bushels to the acre. The letter calls attention to the importance of going on with these experiments and of testing this most valuable wheat in a larger and more general way.

By Mr. Blain:

Q. Was the Red Fife wheat you referred to, introduced to the Canadian farmer through the Experimental Farm at Ottawa?

A. No. It was in 1842 that the first plant grew here from a chance kernel introduced with other wheat.

Q. I thought you were talking about some recent introduction?

A. No, the Red Fife was taken to the Northwest from Ontario by the early settlers in Manitoba.

By Mr. Lewis:

Q. What has been the experience with Red Fife in Western Ontario, in Middlesex and Kent, say?

A. The reports are conflicting; I think myself that any adverse reports are more often to be attributed to the quality of the seed than anything else. I see no reason, if the seed is good, why Western Ontario should not grow as good a quality of Red Fife as we grow in Ottawa.

HAND-PICKING SEED WHEAT.

By Mr. MacLaren:

Q. What about hand-picking the seed? Are you still picking the best kernels with which to make your experiments?

A. Yes, we are continuing that method and find that it works well. Take the Red Fife seed of commerce and you will find, when you pick the grains out, that in the same sample you have some Red Fife, some White Russian, and some White Fife, and sometimes other inferior sorts. A good deal of time has been given to the selecting of seed, so as to have it as pure as is possible. We have started as many varieties as we could overtake with these carefully picked pure samples, and begun their cultivation. We find that the Red Fife often has from 20 to 30 per cent of other kernels in it, as you find it in commerce. No grain-grower or seedsman will undertake to purify seeds by picking out the individual kernels, it will take probably a week of an

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expert's time to separate a sample large enough for one of our experimental plots; it is a kind of work that one cannot keep up for more than three or four hours a day; it is **very hard on the eyes**.

Q. It would not pay the farmer to do that?

A. He could not do it.

By Mr. Clements:

Q. With the climatic experience that you have, could you conscientiously recommend the farmers of the Kent district to grow Red Fife as a spring wheat; I might tell you this, that as far as my experience goes, there has been no spring wheat a success there within the last twenty years, except Goose wheat.

A. Where you can grow winter wheat as well as you do in Western Ontario, I do not think there is much use in advising the farmers to grow spring wheat. We have been carefully testing the Goose wheat of late and find it to be of very poor quality.

Q. I might say that Goose wheat produces fairly well to the acre, spring wheat produces more to the acre than fall wheat, and as the millers pay the same price for it, that is a good wheat to grow?

A. I am surprised to hear that spring wheat produces more to the acre than fall wheat with you, as this is contrary to the general experience of farmers. I do not think the millers will continue to pay the same for Goose wheat, when they find out that it is not of good quality.

TOTAL BUSHELS OF SPRING AND FALL WHEAT GROWN IN ONTARIO.

Q. There is not much spring wheat grown in Ontario?

A. The crop was a little over 3½ million bushels in 1906, against 18½ million bushels of fall wheat. This latter occupies much the largest wheat area in Western Ontario; it is also grown in Eastern Ontario, but is not a very great success there, as it often suffers from winter killing.

I have some further evidence to give you of the reputation that Canadian wheat has. A short time ago, the government of India corresponded with the Experimental Farms, and requested samples, good large samples, of all our best varieties of wheat to be sent there. The government of Japan, through their Chief Consul here, Mr. Nosse, sent a similar request. Another came from the Egyptian Soudan, requesting samples of those varieties of grain of high merit from Canada. Another request has since come from Italy, from the Minister of Agriculture there, and another from Mexico.

By Mr. Wright (Renfrew):

Q. Showing, at all events, that they know there is such a country as Canada?

A. And that it stands high among the wheat-growing countries for the quality of its grain, and for that reason they want to get these varieties to see if they can grow them of similar quality on their own soil.

By Mr. Blain:

Q. Are we to understand that this Red Fife wheat grown in Canada is a better sample now than it was twenty years ago?

A. That is a question one could hardly answer, unless he had a sample grown twenty years ago for comparison.

Q. There is a general impression among the farmers in my own district that it is a good plan to change seed every few years. It may be correct that wheat improves with constant growing, but, apparently, from what you say, the farmer, in doing that, is pursuing a wrong policy?

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A. I am not aware that I expressed any opinion on this point. There is a general impression of that kind prevailing, and it is very likely that there is truth in it, and that it is advantageous to change the seed from one locality to another; but any one who tries to prove it will find that he has a hard proposition before him. Where a farmer can change the grain he is growing for seed of better or purer quality, he will always find such change an advantage.

By Mr. Avery:

Q. What report have you received, or have you received any report, with reference to the wheat you have sent out to foreign countries as samples?

A. About five years ago we supplied the Home Grown Wheat Committee of the National Association of British and Irish Millers with Red Fife wheat, and they have sent us samples from year to year of what they have grown in England from the original seed sent from here. This year samples have been received of the fourth year's growth, which seem to be quite equal to the original wheat sent them four years ago. It was expected that in the climate of England it would deteriorate and become soft and starchy, but it has not; the sample sent this year is quite hard and semi-transparent and would grade well.

By Mr. Armstrong:

Q. Do I understand that you will advise the farmers of Ontario to leave off growing Goose wheat and advise them to grow Red Fife wheat?

A. We have to be very careful in what we advise the farmers to do.

Q. If it is best for them, you ought to do so.

A. We want the farmers in Canada to grow those crops which will give them the best returns. As long as winter wheat continues to give in Western Ontario nearly 5 bushels to the acre more than spring wheat, and the price per bushel is about the same for both, it is probable that he will grow that crop which will bring him the most money. The farmer is able to adjust his crop to his conditions. Winter wheat must be sown early in the autumn, and he may not have his land ready. The average farmer can be trusted to follow his own ideas as to what his own particular farm is best adapted for. If he were to undertake to advise farmers indiscriminately to follow a certain course, we might have them complaining that we were advising them contrary to their own judgment. I think the farmers of Canada, as a class, are as intelligent and have as much skill in the management of their land as any other farmers in the world, and while we are always glad to submit facts to the farmers, we prefer submitting results to them, and then let them adapt those results to their conditions in the way they think best, but not to lay down any hard-and-fast rules which may be all right in one case, and all wrong in another.

By Mr. Sproule:

Q. In localities where twenty-five or thirty years ago they could not grow fall wheat at all, it was all spring wheat. Conditions have changed rapidly, and now they are growing all fall wheat, and cannot grow spring wheat.

A. They are, I suppose, basing their practice on their experience.

Q. That is a well-known fact among farmers?

A. Yes, the increase in the area under winter wheat has been very large during the past twenty years.

By Mr. Clements:

Q. In the district of West Kent it is a well-known fact among farmers that no wheat is profitable to grow, as far as the price they receive for it is concerned. But we realize that we must have straw for the use of our stock, and many of our farmers are growing Goose wheat and oats sown together for feed. They find, and I have not had experience myself, but neighbours tell me, they get more feed from this com-

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bination than from any other crop they grow. Have you any actual experience in the growth of these two grains together, and if so, what is the proper proportion to sow of oats and Goose wheat?

A. I do not think we have tried those two varieties in combination, although we have tried a great many mixtures of grain.

Q. It would be absolutely no use sowing any other varieties of spring wheat in that district?

A. It may be that all the varieties available have not yet been tested. Goose wheat, however, is probably one of the best to use, as it contains a high proportion of nitrogenous or flesh-forming constituents. When I spoke of it as of very poor quality, I was referring to its relative value for bread-making. Judging from our experience with such mixtures of grain as we have tried, I have no doubt you are quite correct in saying that the average crop from a mixture of that sort would be superior in weight to either of the varieties grown separately.

By Mr. Jackson (Elgin):

Q. With reference to wheat, have you gone on for any number of years using the same wheat in the same locality, and do you find it increasing in quality or diminishing in quality as well as in yield?

A. We do not grow wheat on the same land from year to year, except on the experimental fertilizer plots, where we have wheat under that plan grown for about eighteen years on the same soil from year to year, some of it with no manure, and some with manure of different kinds; on those plots treated with barnyard manure or complete fertilizers, we find the grain grown continues to be plump and to all appearance good. These experiments have been carried on to gain information as to the value of the different kinds of fertilizers for particular crops.

Q. What would you say as to the advisability of changing seed wheat from one locality to another, twenty or thirty miles apart? Would you say, that is a good move, or not?

A. I would rather not express any positive opinion on that point, but I think such changes are often beneficial.

Q. These are points that a practical farmer would like to have information upon.

A. I know that, and we are trying to get information on the subject as fast as possible.

By Mr. Wright (Renfrew):

Q. In my riding, the pea, if it is not going too far from the subject, perhaps it is to a certain extent germane, we find that where a farmer grows peas on clay land, it is all right, but if we take them up to Mount St. Patrick and grow them on the light soil there, in three years we have to come back to the clay soil to get seed again.

A. In such case, the clay soil would be likely to produce more plump and vigorous seed, and where there is a distinct gain by increase in weight and purity of seed, such change is no doubt beneficial.

By Mr. Jackson (Elgin):

Q. Are you making any tests along the line I have mentioned?

A. Yes, all along the line.

Q. So far as you have gone, what are the results of your tests? This is an important question.

A. Our changes of seed have not been within such small distances as those spoken of. We have changed from the different Experimental Farms, but we have not changed seeds with the farmers, for the reason that it is very difficult to find pure seed outside that we have been selecting and hand-picking, and hence our changes of seed have been limited mainly to our other Experimental Farms, and where we get

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an increase of crop following such change, it is impossible to say how much of that is due to change of seed and how much to season or other causes.

Q. Do you not bring in new wheats and try them on your Experimental Farms? Have you found by bringing in wheat from a district, say twenty or thirty miles from your Experimental Farm, that that wheat is an improvement on the wheat that you were growing here all the time?

A. I do not know that we have done that. We have tried all the new wheats to be found in this country, as well as those in most other countries, and we do not expect to find additional varieties of value, the ground has been so well covered.

Q. That is a very easy thing to do?

A. Yes, but in most instances we should be bringing back wheat grown from samples we have distributed, because most of the best farmers depend on the wheat we have been supplying them with for renewal of seed for the past ten or twelve years, and the quality and weight of the crop would depend very much on the care the farmer had taken to preserve the purity of the sample he had received.

Q. Suppose you did bring back your own wheat after ten or twelve years?

A. It might be a useful thing to do; but, as I have already stated, if an increase of crop follows a change of seed, and I believe it often does, it is quite impossible for any one to prove how much, if any, of such increase is due to the changing of the seed. We are trying to get as much information as we can along those lines. Our object all the way through is to help the farmer to increase his crops, and of course, we devote most of our time to those lines of work which we think are most likely to bring this about.

VARIETIES OF WHEAT.

Speaking about varieties, here (producing sample) is a sample of wheat which I would like to bring under the notice of the members. It is called 'Turkey Red.'

By Mr. Findlay :

Q. When was the Fife wheat introduced?

A. I think it was in 1842 that the first plant was grown in Canada

By Mr. Christie :

Q. What size samples do you send out?

A. Five-pound samples.

By Mr. Lewis :

Q. How many do you send out during the year?

A. I was just coming to that, I have it in my notes, and will give it to you later, if you will permit me.

With regard to 'Turkey Red,' it holds about the same position in respect to the quality of flour and bread that can be made from it that Red Fife does among the spring wheats. It is a winter wheat, and it is very important that its qualities should be understood. This sample was grown near Lethbridge, Alta.

By Mr. Armstrong :

Q. Do I understand that with all your experience you, to-day, recommend the farmers of the Dominion to grow the Red Fife wheat?

A. Wherever it can be grown successfully, we advise the farmers to grow it.

Q. And you have nothing better to offer them?

A. We have nothing better. We have a number of varieties that have been bred from Red Fife, selected plants that examined in the field have been found to manifest certain improvements. In other cases, crosses have been made with the Red Fife, and it is chiefly among the second crosses where the proportion of Red Fife blood is large.

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that the most promising sorts have been produced. If you take the Red Fife wheat and make one cross of it with another distinct variety, you have the qualities of the parents about half and half, but if you take that first cross and recross it with Red Fife, you have then a variety with three-fourths of Red Fife blood, and it is from among these second crosses of comparatively recent origin, we have some varieties that seem to be quite equal to the Red Fife, and which may possibly be superior not only in quality but in earliness of ripening and strength of straw. As you get sports in stock-breeding, we get them also in wheat-breeding.

By Mr. Wright (Renfrew):

Q. In wheat-breeding, do you get sports, the same as you do in stock-breeding?

A. Yes, certainly. You cross Red Fife with some other sort, and next year you sow the kernel so obtained, and it produces one plant. You sow the seed of that plant next year, and you may have a dozen or twenty varieties, some of which are quite distinct, and you have to select from those, one or more of the most promising as your types to breed from, and reject all the others, otherwise you would soon get more varieties than you could look after. By breeding true to these types, you get them fixed usually in four or five years, and after that there is but little sporting or variation. Sometimes in one of these sports you find a variety with points of excellence superior to either of the parents.

By Mr. Sinclair:

Q. Is this Goose wheat a distinct variety, and is it fit for export?

A. It is certainly a distinct variety, indeed it is a distinct species of wheat, the kernels of it are very hard, it is one of the macaroni wheats which was early introduced into this country, and which has been grown in Canada for many years. More recently these macaroni wheats have been tested extensively in the drier districts in the United States and have done very well there. As they do not make good flour for bread-making, they are not in favour with millers, and they do not command, as a rule, quite the same price as other wheats. There are some districts where these wheats have been bought for European consumption, in which they have brought about the same price as other wheat, because there has been a demand for these wheats in Italy and in London for special purposes. In Italy, the demand for them is for making macaroni, and in London, England, it is for making pie crust and other sorts of pastry that do not require a light, tough, spongy dough. These Durum or macaroni wheats answer such purposes very well, and in such cases they are preferred to the best bread wheats. Most of our Canadian Goose wheat is said to be exported for such purposes. Another variety is called Kubanka. This is grown very extensively in Russia and is also in demand in the London market for making pastry. I would not advise the farmers of Ontario to grow these macaroni wheats, unless they find that they can get such prices as will pay them to do so.

There is another thing with regard to the Durum wheats that I want to make quite clear, and that is this, that they are unsuitable where the rainfall is at all heavy. In the drier districts of the country they give larger crops than in Ontario. We have tested these wheats at Nappan, Ottawa, Brandon, Indian Head, and Agassiz. At Nappan, N.S., we have a moist climate, where we have averaged about 22 bushels per acre. At Agassiz, where the climate is also moist, the average has been about 25½ bushels. At the two western farms, where the climate is drier, the crops have been larger. At Indian Head in a five years' test they have averaged 45 bushels per acre, and at Brandon nearly 49 bushels. We expect, judging from the tests that have been made, that in those portions of the country where there is not much rainfall these varieties of wheat will be grown to advantage. The Kubanka wheat we have found to turn out much better than the Goose, and that it makes bread of very fair quality, but yellow in colour.

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By Mr. Lewis:

Q. Where the country is favourable to its growth, how does it compare with the average of Red Fife?

A. It has a higher average than Red Fife where the country is favourable. In Colorado and Nevada and other dry areas in the United States, where formerly but little wheat has been grown, large quantities of these Durum wheats are now produced, for the reason that they are well adapted to the dry climate, and further, that the people are learning better methods of treating the soil so as to preserve moisture.

Q. What is the difference in the export price?

A. I have never seen any export price published for any of the Durum wheats in this country.

Q. You say it is all exported, none of it is used in Ontario?

A. Yes, but the quantity grown in Ontario is not sufficient to call general public attention to it. It has been in the hands of a few people who have their special customers for it in Europe.

Q. Is there any one brand of it better than another in Ontario, or is all about the same?

A. We have had four varieties under cultivation at the Experimental Farm, but we have only tested two of them yet as to the quality of the flour they make. The Cerealist of the Experimental Farm will be able to give you further particulars in regard to that matter.

IMPROVED METHODS IN CULTIVATION.

Among other circumstances which have tended to advance the farming interests of the country, in addition to those I have already mentioned, is the greater attention which is being paid to the rotation of crops, which has become quite general with the farmers in Ontario, and also to the purity and germinating power of the seed; further, to the keeping of the land cleaner from weeds, which rob the soil of a large amount of fertility and of the moisture that the crop itself needs. All these things have favoured increase in the crops.

Another circumstance which has advanced the general farming interests of this country within the last twenty years is the almost total abandonment of the exportation of coarse grains. We must export our wheat, we cannot avoid that, but we have an amount of fertility in the Northwest soil that will serve for some generations and enable us to do that exporting with advantage. At the time the McKinley Bill was introduced in 1890, which shut off completely our exports of barley to the United States, the soil in the barley districts was getting very much impoverished, and the yield per acre gradually coming down, because the farmers were sending much of the fertility of their soils from year to year with the barley sent to the United States. The McKinley Bill stopped this suddenly, and the result was that the Canadian farmers were obliged to take up other lines, and they very wisely adopted the practice of feeding their grain to cattle and swine and exporting dairy products, beef and pork, and whereas the farmers formerly exported millions of pounds of barley to the United States containing large quantities of fertilizers extracted from the soil of Canadian farms, our farmers are now feeding cattle and swine, and in some places sheep, and restoring in that way, by the proper return of the fertilizing material to the soil, the natural fertility of those lands, until those very lands from which the barley was formerly exported, and which now support cheese and butter factories and produce beef and pork, have improved so much that the crop of barley averages considerably more than it did at the time the farmers were exporting barley. Under these altered circumstances the conditions of farming have improved, the farmers are making more money, and the fertility of the land is being maintained to such a degree as to lead to the belief that the continuance of good crops is assured by the improved method of farming in those districts. Now there is but an insignificant part of the

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barley and oats grown in Canada exported, nearly the whole of it goes into the feeding of animals. This change has improved the farming industry of this country and made it more profitable.

By Mr. Schell (Oxford):

Q. Which do you think exhausts the fertility of the soil most, oats or wheat?

A. There is not much difference between them in regard to the quantity of the more important fertilizing ingredients that are taken from the land:—nitrogen, phosphoric acid, and potash. They vary a little in the relative proportions of these fertilizing constituents taken from the land, but the result is about the same in regard to the exhaustion of the soil.

Q. Do you not think that oats take a great deal more potash than wheat?

A. Yes, they do. While an average crop of wheat will take from the land for the grain and straw about 20 pounds of potash, a good crop of oats will take about 32 pounds.

By Mr. Smith (Oxford):

Q. I saw a report in the papers with reference to a discovery by Sir William Crooks of a process for extracting nitric acid from the air, has that been confirmed?

A. Yes, it has. Sir William Crooks made the discovery some years ago that under the influence of electricity the nitrogen of the air would be converted into nitric acid.

Q. You know there have been experiments carried on at Niagara Falls?

A. Yes, I understand that a company operating there has sunk over a million dollars in experiments trying to solve that problem. They succeeded, but found that the nitric acid cost more money to produce than they could get for it.

I recently met with an extract from an address delivered at the Technical College in Berlin, Germany. In this address the lecturer disclosed the most recent particulars regarding this work and what has been done in Norway. In the present state of our knowledge it is said that nitric acid cannot be made profitably where the horse-power will average more than \$4 a year, and at Niagara, I think, it costs several times that sum. But in Norway there are some immense waterfalls where power can be produced very cheaply. A company there has got hold of about 400 horse-power, and they are operating a nitric acid factory with 20,000 horse-power. They have been able to produce nitric acid at such a price as to make it a commercial success. The acid has been saturated with lime, and then sold as nitrate of lime. As a fertilizer, this will produce all the good effects of nitrate of soda, and as it is expected that the present source of supply of nitrate of soda will be exhausted in less than twenty years from now, it is of importance that we should have some material to fall back upon.

Q. The only nitrates now to be got are from the dry regions of Peru, in South America?

A. Yes, and there are about a million tons of nitrate of soda used every year as fertilizers. Germany is said to use about 500,000 tons, and Great Britain uses a great deal also, so that the supply is being rapidly exhausted. Hence the question of new sources of supply is a very important one. At the factory referred to in Norway they make over 30,000 pounds a day of nitric acid, and if it is made a success in one place, other localities will no doubt be found where it can be economically produced. The process also by which it is made may be improved, as further experience is gained, so as to reduce the present cost of manufacture.

By Mr. Smith (Wentworth):

Q. With the cost of power reduced would it be possible to compete with present market prices?

A. With low cost of horse-power they could compete with the prices now prevailing.

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By Mr. Sinclair :

Q. Talking about fertilizers, what have you to say as to the character of the product turned out from the government reduction works at Canseau where fish scrap is used ?

A. Our chemist has been investigating that and can give you more particulars than I can. I learned, however, from Mr. Shutt's reports that he has found that the fertilizing constituents of this fish scrap are very valuable from a chemical standpoint. But it contains a very large proportion of fat and in the use of it as a fertilizer this seems to interfere with the giving up of the fertile constituents to the soil in such a way that it lessens its value. For some time past experiments have been in progress to improve this product and there have been some recent analyses made with which I am not familiar.

Q. Is the oil injurious to the soil ?

A. No, it is not that, but when the oil is combined with the fertilizer it does not seem to have the same effect in stimulating plant growth as it would otherwise have. We have not been able to see much in the way of results from the use of it on the crops. We have only tried it through one season, and it was rather late in the season when received, so cannot be very positive in our conclusions as to its usefulness.

Q. Was it not successful ?

A. It did not produce much improvement in the crops and the chemical analysis shows it was actually very rich in those constituents that should have produced strong plant growth.

By Mr. McIntyre (Perth):

Q. Perhaps the constituents were such that the plants could not absorb them ?

A. Our chemist gave as a reason for our want of success the presence of so much oil associated with the fertilizing material.

By Mr. Sinclair:

Q. The matter is of great importance in the Maritime Provinces because there is a large quantity of fish scrap going to waste and if it could be utilized it would be very important indeed.

A. Yes, we appreciate that fact and we are doing everything we can to get information on the subject.

Q. The fish, such as are used in the government works, are put on the land by some farmers in a natural condition, and they produce good crops. These fish contain the oil and livers and other organs. If the oil does not interfere with the yield of crops when the fish are used in this way there must be something in the process which has a bad effect.

A. We are trying our best to ascertain the cause of this difficulty.

FREE DISTRIBUTION OF SEEDS.

Several of the members have asked about the distribution of grain to farmers for the improvement of seed and how this work is arranged. When a new variety of a promising kind is offered to the farming public sufficient quantity is secured to test it at the Central farm. If it proves promising at Ottawa and gives a good crop, we distribute it for test to the branch experimental farms, and in the course of four or five years, if it continues to maintain a promising position for productiveness and quality, it is grown more largely and then included among the varieties offered for distribution for test among the farmers of the Dominion. Care is thus taken that our distribution among Canadian farmers consists of varieties which are well established in regard to their productiveness and quality and which we feel sure are worthy of being tested over the whole country. I brought with me to-day samples

of the most promising varieties of different grain now being distributed. Here are Red Fife, White Fife, Preston, Percy, Pringle's Champlain and Early Riga wheats; Banner, Wide Awake and Thousand Dollar oats; Mensury barley, six-rowed, and Canadian Thorpe barley, two-rowed. These form the bulk of our distribution.

A few words will serve to indicate the growth of this work. In 1887, that is the year that the farms were established, we sent out 1,149 samples for test. Samples have been sent out every year since then and the number is increasing. In 1888 the number sent was 2,150; in 1890 it had got to 15,532; in 1895 the number had reached 30,553; in 1905 the number was 42,000, and last year it was 43,885. At present, up to this date, we have sent out about 7,000 samples and we are sending out an average of 250 to 300 samples a day. This morning we received 785 letters, most of which contained applications for samples, and the evening mail will bring that number up to over 1,000. Last year we had over 1,000 a day during the whole month of February. Most of them were applications for grain. We find the farmers everywhere taking the greatest interest in this work. We send five pounds of wheat or barley or four pound of oats. That is enough for one-twentieth of an acre in each case, and the man who gets a sample, say of oats, if he cultivates it with reasonable care and attention on good soil, will have an average of at least four bushels. This crop if carefully threshed and cleaned and not mixed with any other sort of grain, will next year give him two acres of oats which will be a pure sample. These two acres should give him at the very least 100 bushels at the end of the second year. If sown on 50 acres the yield at the end of the third year should be 2,500 bushels. This shows that it does not take long for a man to get all the seed he wants from one of these samples. The farmer has the Farm bulletins which will show what crops we have had and he can select the variety which has given the largest yield. In this way the greatest good is being done to the country from one end to the other. The varieties that we have been growing are coming into general use in commerce, and it is helping the average yield of grain everywhere, and it is helping the reputation of the country by keeping up the quality and weight of the grain.

By Mr. Lewis :

Q. Do you send a man the kind of sample of grain that he wants?

A. We send him, as far as is practicable, what he asks for, and the 'Crop Bulletin' is sent to every one on the mailing list.

Q. Do you distribute any varieties of roots?

A. No, the distribution is confined to wheat, barley, oats, peas, Indian corn and potatoes.

By Mr. Armstrong :

Q. Am I correct in understanding that the best variety of oats you can recommend for the farmer is the Banner?

A. We regard the Banner oat as one of the best sorts in cultivation. Our reports and bulletins show that it has given us a larger number of bushels per acre than any other variety.

Q. And what is the name of the variety of barley which has given the largest crops?

A. The Mensury.

Q. Mensury is the best?

A. Yes. We have found it in our experiments the most productive.

I desire to call your attention to the sample of the Banner oats grown this year at Indian Head which weighs 42 pounds per bushel. The crop was a heavy one—about 100 bushels to the acre. I am of the opinion that we get seed with higher productiveness by taking it from those large crops. There is another question bearing on the change of seed—

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By Mr. Lewis :

Q. With reference to a change of seed, do you ever supply the same man two years running with different seed ?

A. We have about 40,000 to supply each year and it is scarcely possible to keep track of individual cases.

Q. You have 40,000 to supply ?

A. Yes, over 42,000 received samples of seed last year.

Q. Do you supply all that ask for seed ?

A. All that apply to a certain period, up to the 15th of February this year. We are obliged to limit the period, otherwise people would keep sending in applications up to early summer which would interfere with our general work, as we need the men who work on the distribution as soon as spring opens for other work outside.

Q. Have you made any estimate of the number of bushels of wheat, oats and barley that you sent out as samples ?

A. Estimates have been made, but I do not remember the number of bushels; the weight amounts to 70 to 75 tons a year.

By Mr. Schell (Glengarry) :

Q. Do you supply anybody after the 15th of February ?

A. We do not receive applications after that date.

By Mr. Findlay :

Q. Do you supply them free ?

A. Yes, they go through the mail. Our mail from the middle of December to the middle of April ranges from half a ton to a ton a day.

Q. How much do you send in each sample ?

A. Five pounds of wheat or barley, four pounds of oats, three pounds of Indian corn or peas or potatoes. They are sent out in strong cotton bags and instructions are sent with them.

Q. You do not ripen Indian corn at Ottawa, do you ?

A. No, not generally, and in that case we are obliged to depart from the general rule laid down for our guidance; this is that all the seeds sent out should be produced at the experimental farms. The question of the growing of Indian corn for ensilage is so important to the dairying and cattle industries of the country that this is a sufficient excuse for the buying of corn in Western Ontario.

Q. Do you bring any of this corn in from the western states ?

A. Not to any extent. Most of it is got in Western Ontario.

The hour of adjournment having arrived, Dr. Saunders was requested to continue his address on Friday next.

Having read over the following transcript of my evidence, I find it correct.

WM. SAUNDERS.

Director, Dominion Experimental Farms.

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HOUSE OF COMMONS,
COMMITTEE ROOM 34,
FRIDAY, February 8, 1907.

The Select Standing Committee on Agriculture and Colonization met here this day at 10.30 o'clock a.m., Mr. McKenzie, Chairman, presiding.

The CHAIRMAN.—Dr. Saunders will now continue the address commenced by him at our previous meeting.

BENEFICAL RESULTS FROM FREE DISTRIBUTION OF SEEDS.

Dr. SAUNDERS.—Mr. Chairman and Gentlemen,—When speaking before the Committee on Wednesday last on the subject of the samples of seed grain which have been distributed to the farmers of Canada for the improvement of seed, I ventured to say that it was possible in three years to produce from one of the four-pound samples of oats that we sent out 2,500 bushels, and to have that stock at the end of the third year. In support of this I wish to quote from a letter received a day or two ago from Mr. W. A. Lyndon, of Lyndon, Alberta. I may say that Lyndon is a small village in the Foothills of the Rocky mountains, about 30 or 40 miles west of Maclead, at an altitude of 4,200 feet above the sea level, which is probably at as high an altitude as any farm cultivated in the Dominion. In his letter dated January 25, 1907, Mr. Lyndon says :

‘In 1904 I sowed the sample of four pounds of Tartar King oats got from you. This year I threshed 1,600 bushels. They yielded this season at the rate of 116 bushels per acre.’

With your permission I will also quote extracts from several other letters recently received, so as to convince any one who may not feel satisfied as to the value of this distribution. These letters show also that many of the people who get samples take good care of them, and bear testimony to the further fact that this distribution is improving the character of the seed grain of the Dominion, and that the publications sent out from the Farm are very acceptable. In every part of Canada, from the Atlantic to the Pacific, farmers have received these samples, and when a man gets a good thing he is likely to make it known, as he wants to make money out of it. Hence, he sells seed to neighbouring farmers, and thus the community generally is benefited.

Moise Cormier writes on December 1, 1906, from LaSalle, Manitoba :

‘From the sample we received in 1904 we have this season harvested 300 bushels of pure Red Fife, and we are now in possession of a good quantity of pure seed wheat, which has cost us nothing but the labour. Please accept my best thanks.’

Mrs. E. A. Grove, of Weyburn, Saskatchewan, writes under date of January 1, 1907 :

‘The sample of wheat we got three years ago will furnish seed this year for 150 acres.’

Mr. John Bily, of Riversdale, Saskatchewan, writes on January 21, 1907 :

‘About ten years ago I got from you a sample of Ligowo oats, and now about fifty farmers bought it from me, and all say they could not wish themselves any better oats. They yield more to the acre than any other oats I ever had.’

Mr. James Lightley, of Gidley, B.C., says under date of January 20, 1907 :

‘I wish to apply for a sample of oats. This season my choice is White Giant. Please accept my hearty thanks for last season’s gift of seed potatoes, which were very successful.’

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Mr. James Smith, of Shepard, Alberta, writes on December 17, 1906:

'I have 40 bushels of Carman No. 1 potato from a three-pound sample, received three years ago. They are a fine potato.'

Mr. R. E. Mitchell, of Cook's Creek, Manitoba, says under date of January 26, 1907:

'I thank you very much for sending me your Experimental Farm bulletins from time to time, as they are very interesting.'

Mr. J. R. Giles, of Island Lake, Alberta, writes December 31, 1906:

'I beg to express my thanks and appreciation of the various pamphlets and reports I have received from the Experimental Farm from time to time.'

'We have this fall built a double poultry house in accordance with the plans and suggestions in Bulletin No. 54, and find it to be answering very well. With best wishes for the success of your valuable experimental work.'

This morning I happened to get a letter from Mr. August Dupuis, one of the most enlightened agriculturists and horticulturist in the province of Quebec. He lives at the Village des Aulnaies. This is with regard to the recent crop bulletin giving the results of the testing of many varieties of grain and other important farm crops during the past year. He says:

'Bulletin No. 55 is a treasure of facts for the farmer, stock raiser and market gardener.'

This is perhaps sufficient evidence to offset the idea that some people seem to have who do not look into the matter very closely, that this distribution of grain is largely a waste of labour, and that the samples are very often thrown away or made very little use of. The labour involved in the efforts to find out which are the best varieties of grain for the farmers of Canada to grow is very great. Very few people have any idea of the amount of work required to be done in this direction. The varieties are always tested for not less than five years before their value is determined, when the best are selected and grown for distribution among the farmers.

By Mr. Lewis:

Q. The letters you have read are all from the West. Have you any from Ontario?

A. There were a number, but I brought only those I have read, as I did not want to burden the committee with much material of this sort. Those I have referred to came in within the last few days. I could easily furnish many more if desired.

Q. How do the samples average in the distribution between Ontario and the West?

DISTRIBUTION OF SEED FROM CENTRAL EXPERIMENTAL FARM, 1906.

A. The distribution last year was made up as follows: Ontario, 7,269; Quebec, 15,918; Manitoba, 3,159; Saskatchewan, 4,621; Alberta, 2,542; British Columbia, 968; Prince Edward Island, 1,301; Nova Scotia, 3,071; New Brunswick, 4,636.

Q. How do you account for the fact that Quebec received double the quantity supplied to Ontario?

A. One reason, I think, is that the people generally in Quebec are paying closer attention to the work of the experimental farms than the people in any other part of the community, excepting perhaps those in the Northwest. Furthermore, they have not as a rule quite the same advantages in the way of agricultural periodicals as the farmers of Ontario. Therefore, they treasure the Experimental Farm Reports and bulletins, where they learn of the experiments conducted and the large crops which the most productive sorts give, and more generally avail themselves of such opportunities of improving their condition.

By Mr. Blain:

Q. I think there is another explanation, and that is, that there is a distribution going on from the agricultural farm at Guelph each year, which supplies a large number of farmers?

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A. That is very true. The distribution from Guelph no doubt exerts a large influence in Ontario, as it is confined to that province.

By Mr. Lewis :

Q. Are the samples all sent from here, or are samples also sent from the experimental farms in the West ?

A. The samples are sent chiefly from here, but there are a considerable number sent from the branch farms also.

By Mr. Conmee :

Q. Were all the requests from Ontario filled ?

A. All that were received within the time named. We are obliged to fix a time for closing the distribution, otherwise we should be laden with this work when the spring operations began, which would interfere with our regular work. This year the 15th of February was fixed as the limit of time for receiving applications for samples. We interpret that in this way : Any letters that are mailed on or before the 15th are attended to. Sometimes a letter will be two or three weeks reaching us, and it would not be quite fair to those living at a long distance from Ottawa if we required that all the applications reach us by the fifteenth. By this arrangement all the applicants are placed on the same footing no matter where they may reside. With that liberal interpretation, we can generally manage to clear everything off the boards by the time the spring work begins at the Central Experimental Farm.

Q. Then it would follow that all the applications that were made from Ontario were filled ? Would that be right ?

A. Yes, provided they were sent to the Farm within the time specified.

Q. I mean all that applied within the specified time. They were dealt with the same as the people from any other province ?

A. Certainly ; every province is treated alike. The distribution I am referring to here will be understood as the Central Farm distribution, and does not include the distribution which takes place from the branch farms. That is dealt with at each branch farm and will total generally about 5,000 samples.

Five years ago we had under test 243 different kinds of cereals. Such a list we knew was too large for the average farmer to master, but it was necessary that all these varieties should be tested. After five years' trial many of them were found less productive and less valuable than others and they have been gradually discarded. During those five years the 243 samples have been reduced to 101. That number covers all the varieties we now have of wheat, oats, barley and peas. Thus a great deal has been done to clear the ground for future work. Our spring wheat list now, instead of being 71 varieties as it was five years ago, has been brought down to 14. We shall not be able to keep it at that, as we must introduce from time to time new varieties that we are originating. Investigations are going on constantly at the farm, and new varieties are produced every year. Some of these are obtained by cross-fertilization and some by selection. Wheat receives the greater part of our attention. Last year there were under cultivation at the Central Farm over 2,000 varieties of wheat alone growing, mostly in small quantities. Hundreds of these have been discarded since harvest after careful examination made as to quality and crop, while with such sorts as are sufficiently promising the work must be continued.

Special efforts are made to maintain the purity and quality of the Red Fife wheat, which is so valuable in the Northwest. Quite a large area of land is devoted at Brandon and Indian Head every year to the growing of this variety. We are supplied at Ottawa with what we need of the Red Fife and other useful sorts for the distribution of samples, and the remainder of the wheat not required for seed is sold to farmers in Manitoba and the Northwest in quantities of two to five bushels, so that they may have enough to make a good start if they want to renew their seed. There are always a great many more applicants for the seed than it is possible to supply, but we generally manage to furnish from two to three hundred farmers every

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year with these larger quantities of Red Fife. That is very much appreciated. The demand for samples of Red Fife for the improvement of seed is also large, and from the Central Farm alone 2,134 samples were supplied last year. Many samples were also sent from the branch farms.

By Mr. Lewis :

Q. Where were those distributed ?

A. Those were distributed over the whole Dominion.

Q. Did the 2,134 samples go to all the provinces ?

A. Yes, they were distributed to all, but I could not say in what proportion. The total distribution of sample bags of wheat throughout the Dominion was 9,959, which were distributed as follows : 371 to Prince Edward Island, 639 to Nova Scotia, 1,016 to New Brunswick, 3,394 to Quebec, 713 to Ontario, 1,173 to Manitoba, 1,905 to Saskatchewan, 670 to Alberta, and 78 to British Columbia. That includes all the varieties of wheat.

By Mr. Finlayson :

Q. Where is this wheat grown ?

A. Most of it is grown at Indian Head, Sask., and at Brandon, Man. We had two carloads of grain this year from Indian Head for distribution and one carload from Manitoba.

Q. Is it grown at your experimental stations in those places ?

A. Yes, nearly all of it is grown there.

By Mr. Jackson (Elgin) :

Q. Very little of it was grown in Ottawa ?

A. Very little indeed. Our plots of grain are too small to serve this purpose. There are 200 acres of the Central Farm devoted to rotation experiments, and large areas to horticultural and other branches of work, so that there is very little room for the growing of grain for distribution.

Q. Do you buy any seed grain for distribution outside of that which is grown on any of the experimental farms ?

A. It is not usual to do this, excepting in the case of Indian corn, which does not ripen well at any of our farms. Last year we were visited by a hail storm at Indian Head, the first injury of this sort we have ever had. I happened to be there the following day when the crop looked so unpromising that I told the superintendent he had better buy a hundred bushels of Red Fife from one of his neighbours, who had a very good sample, so that he might be sure we would have some for distribution. But the grain picked up again at Indian Head in a remarkably short time, and we had a very good crop after all. That hundred bushels of Red Fife was a very fine sample and was sent to Ottawa with the other grain for distribution. That is the only instance I can recall where we have during many years bought seed grain to distribute.

Q. In reference to oats and other grains, are they grown principally on the experimental farms ?

A. Yes.

Q. And potatoes the same ?

A. Potatoes are grown chiefly on the Central Farm. I think it is an advantage when selecting for distribution to have grain from crops that have shown great productiveness. At Indian Head the average of the oat crop last year was about 100 bushels to the acre, whereas down here we cannot usually get more than 50 or 60 bushels. Hence, most of the oats sent out have come from that farm. The same principle, I think, holds good with regard to other sorts of grain.

By Mr. Schell (Oxford) :

Q. Which varieties of oats gives the best yield ?

A. The Banner, I think, gives the best yield, although we have now several other

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sorts of oats which are very nearly as productive. Occasionally, at some of the experimental farms, some of these best varieties will exceed the Banner, but taking it on the whole the Banner will average, I think, a little better than any other variety we are growing. A difference in soil will sometimes affect the yield and the results will vary from this cause. In a letter which I read to the committee a few moments ago, a correspondent, speaking of the Ligowo oats, says that they are the best oats he has ever grown. In some districts they seem to exceed the Banner in yield, especially in some parts of British Columbia, but taking the larger grain growing area in the Dominion, one cannot go astray in recommending the Banner oats, and the fact that Manitoba and the Northwest give a higher average crop of oats, and the fact to the fact that the Banner is the principal variety grown there.

Q. Is the Banner oats generally the best on the Ottawa farm also?

A. Generally. Some times they stand second or third on the list, but they always give good crops and always stand very near the top.

In growing Red Fife we devote a good deal of attention at Ottawa to watching the variations that occur from time to time in the variety, where the plants are grown alongside of each other. Occasionally a plant is found with stiffer straw than usual, and sometimes a slight improvement is found in earliness of ripening or in the quality of the grain, and these are selected for further trial. These mother plants are harvested and examined further during the winter and if, when the examination is completed, they show sufficient points of excellence to warrant further cultivation, they are grown as separate varieties until we have satisfied ourselves either that they are better than the other sorts we grow or that they are not as good. The moment we reach the latter conclusion, they are dropped. Hence a great deal of work must always be done in these lines of experiment which fail to produce the results desired. The single crosses of Red Fife with other varieties are not equal in quality, as far as we can judge, to those sorts where there are three-quarters of Red Fife blood to one-quarter of the blood of the other sorts. It is from these latter crosses that we have now some of the most promising results. They are not quite so early as some of the single crosses, but they have a combination of good points which is likely to make them valuable. Where earliness is of paramount importance, as it is in some districts, the earlier ripening cross-bred wheats are of much value; but, wherever Red Fife can be ripened to good advantage we do not recommend the farmers to try any other variety. In case a farmer finds that Red Fife does not ripen well in his district, then we recommend him, in order to avoid frosted grain, to test some earlier varieties, which are quite as good for any local use and for the making of flour for domestic purposes, but not quite so good for export. It is far better to have an earlier variety that is a shade lower in quality than Red Fife than to have frosted grain which would bring the price down to a very low figure. Recent appliances that have been introduced at the Central Farm for making flour and bread, which I have mentioned, I think, in one of my earlier addresses, enable us now to ascertain the true value of a wheat in very much less time than formerly. When we had the handling of the Ladoga wheat, which was first imported twenty years ago, we had to wait until we could furnish a carload of the grain before any miller would undertake to make flour from it and guarantee that it was strictly pure. So we were obliged to encourage the growing of that wheat in a number of places in order to secure a sufficient quantity for the test. As soon as a carload was available, it was sent to the miller to be ground, and a bulletin was published on the result of the examination of that flour and the making of it into bread. Now with three or four pounds of the wheat we can make a better test than was made in those days with a carload. That is a great advantage and enables us now, and will enable us in the future, to get over the work with a rapidity that was quite impossible in the past. We shall thus be able to learn every year the exact milling quality of a number of new varieties of wheat and to find out whether any of them possess that high quality and productiveness necessary to warrant their being recommended for general cultivation.

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TESTS OF FIELD CROPS.

Many experiments also have been conducted in the growing of Indian corn and field roots and potatoes to determine which are the most profitable to grow for the feeding of stock and for human consumption. Tests have also been made with different sorts of vegetables, to find out which are the most profitable for farmers to grow.

By Mr. Christie :

Q. What about peas ?

A. Peas are tested also and distributed to a limited extent. The difficulty in late years about peas has been the prevalence of the Pea Weevil, and, while we have taken every precaution to keep our stock as free from that pest as far as we could, we have occasionally been obliged to buy peas because we could not grow enough, and have sometimes been disappointed in finding that they were more or less infested with bugs. For this reason we have not distributed many peas for several years past.

Q. During the last two years have peas been troubled with the bug ?

A. We have not bought any during that time, but have been getting them from the experimental farm at Indian Head, where they have no bugs. I believe, however, that the pea bug has not been plentiful in Ontario for the last two seasons.

Q. Take my county, during the last two years there has been no bug.

A. There may not be, but if a farmer finds only one or two in a sample of peas from the Farm we are sure to hear of it, and we are expected to be much nearer perfection in that respect than the average seedsman. With regard to the question of varieties of peas, we have very little positive information. There are a number of different named sorts in commerce, but no authentic description of the varieties have ever been published which would enable any one to recognize them. That, however, is being gradually remedied. It is quite different with garden peas. They are all carefully described in the seedman's catalogue. The seedsmen in the United States handle our peas a good deal and advertise them usually as Canadian peas. If any questions are asked as to the variety, the only information to be had is that they are Canadian peas, and the dealer does not realize that there are any varietal distinctions. We have grown about forty varieties on the Central Experimental Farm for some years, but within the past three years these have been reduced to about half that number, and they are, I think, pretty well distinguished varieties. But there is a great deal to do in the way of experiment and comparison before we can determine which are the best of these. They are frequently found so mixed that it is not possible to tell what variety they are.

In field roots a number of varieties have been tested. These tests were begun about twelve or fifteen years ago by growing the different varieties that were offered by Canadian seedsmen. Subsequently, it was thought well to grow alongside of these some of the most noted sorts that are offered by the large seedsmen in Great Britain and in Europe. We have imported every year, for the last six or seven years, from these seedsmen the best strains of their seed, and after careful trial for the period named have found that the seeds obtained from the Canadian seedsmen have given crops fully as good as those bought from the best of the seedsmen in Europe. As our farmers are not able conveniently to import their root seeds, it has been thought best in future that our test plots of field roots be conducted entirely with seeds obtained from Canadian seedsmen.

Before I pass from this subject, I would ask if any member wishes to ask any questions.

Q. What kind of mangold do you consider most profitable for the farmer to grow ?

A. There are two classes of mangels which give very large crops—the Mammoth Long Red and the Giant Yellow Intermediate—and there are a number of different strains in each of these classes bearing different names in the catalogues of the seedsmen, but varying very little in quality or productiveness. Most commonly, I think,

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in our trial plots, the Giant Yellow Intermediate has averaged a little heavier in crop than the Mammoth Long Red, although the latter is believed by a good many farmers to be a little better in quality. I do not think myself there is much difference in the quality ; they are both remarkably productive.

FRUIT TREES FOR THE NORTHWEST.

Experiments have also been continued with the cross-bred apples, which have been produced at the Central Farm for the Northwest. These fruits have been distributed now to about three hundred different points in the Northwest provinces at different altitudes, varying from an elevation of 743 feet at Winnipeg to 4,200 feet at Lyndon in the Foothills of the Rocky mountains in Alberta. That is probably about the highest elevation in the Northwest where farming is carried on. These cross-bred apples are growing at all these points and have established their character for general hardiness. Last year in quite a number of places they bore fruit which was much appreciated by the growers. No doubt during the coming year a great many more of these apple trees will fruit. In the meantime so many people in the Northwest provinces are applying for trees that it is quite beyond our power to grant the requests, and in future we shall have to leave any further distribution of these trees in the hands of nurserymen whose business it is to grow and to sell such stock.

We have also conducted at all the experimental farms a great many experiments with small fruits.

By Mr. Blain :

Q. May I ask, have the farmers throughout the province of Ontario planted very many apple trees in the last few years ? Is the number on the increase ?

A. That is a matter that we have not investigated, but it is reported on every year by the Bureau of Industries. From the last report published it would appear that the number of bearing apple trees is less than it was ten years ago, while the number of young trees is greater.

THE SEEDLESS APPLE.

By Mr. Wilson (Russell) :

Q. Has any action been taken with regard to the seedless apple that some people in Ontario have been trying to boom ?

A. I understand that a good many trees have been sold to persons who desire to test this fruit. It has been shown that the seedless apple is of very little value, and is inferior in quality. There have been several seedless apples introduced at different times during the last ten or twelve years, and hence a seedless apple is not a new thing, but this particular one has been taken hold of by a company with apparently a good deal of capital. The people employed to push this fruit on the community are very enterprising and persistent, and they have shown great zeal in their efforts. There was a committee of experts appointed at the Toronto exhibition to examine the fruit shown there and the report of that committee was very unfavourable.

By Mr. Black :

Q. There is no core in the seedless apple ?

A. There is usually a little in most specimens.

Q. What advantage has the seedless apple ?

A. I cannot see that it has any great advantage. It has, however, one great imperfection. At the calyx or blossom end of the apple there is a hole where insects can get in and out, and find lodgment. There was a good deal of dirt collected in this place in some of the specimens that I saw. That point is closed in the ordinary apple. The committee referred to, found occasional seeds in some of the specimens examined, showing that the apple was not entirely

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of the fruit was very deficient. With such faults the mere fact of it being a seedless apple or nearly so is no great recommendation.

Q. I cannot see much recommendation, but simply the fact that the apple has no seed?

A. I think that is about correct. The seedless orange is deservedly in favour because it associates high quality with the absence of seeds; but in this fruit the inferior quality and other imperfections will prevent it from ever becoming popular.

Mr. Wilson (Russell):

Q. The price asked is \$2.50?

A. Yes; the price is simply absurd. Barnum discovered that the public liked to be humbugged, and I fear this condition of things still prevails. A great many people seem to appreciate a thing they have to pay a good price for.

GROWTH AND MANUFACTURE OF FOOD PRODUCTS.

A. It must be very gratifying to us all to see the great progress that has been made in Canada in the growth and manufacture of food products. The expansion of our exports has been remarkable within the last twenty years, and especially within the last ten years, and now our surplus of wheat, flour, cheese, butter, pork, fat cattle and fruit find their way into all the leading markets in Great Britain, and in many places on the continent, and they have given to Canada a character which is very enviable. With the further development of the country, and the large number of settlers now coming in, there is practically no limit so far as the output of these different products is concerned. I see no reason to anticipate any diminution in regard to our exports for many years to come, but rather a steady increase, and in this way we shall get from the soil some of the immense wealth that is laid up there for our use, in the form of plant fertility. Thus we hope that our commerce will be built up and our people enriched. With the permission of the Committee, I will now say a few words on the second part of my subject.

My Mr. Jackson (Elgin):

Q. Before you leave that branch. You made a reference to live stock. Is there any interchange of the cattle that you have on the farm, that is, do you send any stock that you have on the Central Farm to any of the other farms in the Dominion?

A. Yes, we frequently send male animals and sometimes females, but mostly male animals.

Q. Have you any idea about how many males you sent from the Central Farm to the other farms last year?

A. I could not say. Mr. Grisdale, our agriculturist, who will probably appear before you later, can give you exact information on this subject. Any animals that we do not want to keep are sold. Some of them are sold for breeding purposes, and some to the local butcher or exporter.

APPLE GROWING IN MANITOBA.

By Mr. Jackson (Selkirk):

Q. I regret that I was unable to be present at the last meeting, and unfortunately arrived a little late this morning. Is there any information you can give us about the cultivation of fruit in Manitoba? There are one or two things I would like to ask you. You are aware that the late Mr. James Franklin, of Stonewall, was largely engaged in raising apples for the past few years?

A. Have you ever visited his place?

Q. Yes, I live right alongside of him. There is a peculiar circumstance I would like to mention. About ten years ago he gave me an apple tree,

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one of his best known varieties, which was about six inches in diameter. It has come out every year up to the terminal bud and yet has never had a blossom on it. It is a perfect tree, seven feet high, and yet there has been no fruit whatever on it. I do not know of any other instance of that kind. Could you give me any explanation as to why that should happen to this particular tree?

A. No, I could not, unless it be that the blossom buds are tender and are winter killed each year. I was two or three times at Mr. Franklin's place when he was living, to look over his trees, and I was disappointed in what I saw. He would write me and his letters contained enticing descriptions of his apples and plums, but when I got there I could not reconcile the things I found there with his descriptions of their character and quality. His ideas of quality and mine did not agree very well. He would insist that he could grow better plums than could be grown in British Columbia, but he could not prove it to my satisfaction. He was a very sanguine and enthusiastic man and did some useful work in the way of introducing new varieties of fruits, especially plums from Minnesota, in addition to those produced by himself. Many varieties of his trees were bought and tested on the branch experimental farms at Brandon and Indian Head, but they were not very successful. The plums did not ripen early enough to be of much value in any part of Manitoba and those of his apples which I have seen were small and inferior. But what has surprised me very much is the wonderful success which has attended the efforts of Mr. A. P. Stephenson at Nelson. I have visited his place several times and he has succeeded there in growing an orchard which would do credit to the East. He has a good many varieties of Russian apples making thrifty growth and bearing well. There does not seem to be anything exceptional about his location except that it is well sheltered, but he has succeeded better than any one else. Many of his trees were sent him from the Central Experimental Farm about sixteen or seventeen years ago, when we distributed some apple trees to be tested in that part of the country. I think he is the only one who has succeeded with them. When I go to Manitoba and tell the people that the larger apples cannot be grown in a general way successfully in that province, they say: 'Here are some apples we do grow, what have you to say to them?' Since I know of scores of instances where people have planted such apple trees, and have failed with them, I am still compelled to say, notwithstanding the success had by Mr. Stevenson, that the larger apples cannot be grown in a general way in that province. At the time these apple trees were sent to Mr. Stevenson, a larger number of trees of the same sort were sent to the experimental farms at Brandon and Indian Head, but none of them have survived. True, the altitude is greater, but the difference at Brandon—about 200 feet—seems scarcely sufficient to account for the great difference in result.

Q. Would he not have more shelter?

A. Yes, I think he would, but we have had our trees at Brandon well sheltered. Indeed, in one instance, we put them out in the middle of a plantation, cutting out enough forest trees to give the apple trees room to grow. I do not think it can be a matter of shelter entirely, because all his trees are not well sheltered, although most of them are. I found, however, that there were other people in the neighbourhood of Nelson who grow the Duchess and the Wealthy and the Hyslop and Transcendant crabs. I have seen them growing in several places about Morden. The experience had by Mr. Stevenson and others is certainly very gratifying and should encourage the people in that district to plant more. Last year I spent a day in Portage la Prairie, Manitoba, when a gentleman I called upon said: 'You must come with me and see some of the apples growing here.' I went out with him and saw in a neighbouring garden two very nice trees with about thirty or forty apples on each tree. The trees were seven or eight feet high and seemed to be quite hardy, but these were the only specimens I saw. This apple was a Russian variety known as Hibernial. The Hibernial is one of the hardiest of all the Russian sorts.

By Mr. Smith (Wentworth):

Q. Mr. Stevenson's trees are not grafted on *Pyrus baccata* roots?

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A. No; most of his bearing trees are on ordinary apple stocks. The trees he is now sending out from his nursery are, I believe, on *baccata* roots, as they are much hardier.

Q. These trees are all bearing now?

A. All his larger trees are. His main crop is obtained from the trees sent him from the Central Farm sixteen years ago.

Q. They were not on *baccata* stock?

A. No; they were grafted on ordinary roots.

THE EXTENSION OF THE EXPERIMENTAL FARM SYSTEM.

The policy recently adopted by the government of Canada, in extending the system of experimental farms, is being carried out.

LETHBRIDGE FARM.—The first new farm established is that at Lethbridge, in Southern Alberta. This town occupies a central position in a large district where the soil is fertile; but the rainfall is scanty and insufficient for some crops. The agricultural methods practised in the northern part of Alberta are not entirely applicable to the southern part, on account of the light rainfall. What is called dry farming has to be practised there, on account of the limited amount of moisture. In what is known as dry farming there are some special implements used, which have been devised to assist in maintaining and conserving moisture in the soil, and the times of ploughing and of cultivating are varied, so as to be carried on with the least possible waste of water. On the other hand, there are large parts of Southern Alberta which are being brought under irrigation, and this farm which the government has chosen for an experimental farm consists of four hundred acres, one hundred of which can be irrigated, while the other three hundred cannot, as the land lies too high to be within reach of the water. The intention is to carry on experimental work there with irrigation, and on the same lines without irrigation; to take up all the questions we have been taking up at the other experimental farms with such other special experiments as the altered conditions may require. Investigations will be carried on to determine the best varieties of wheat, barley and oats, and other important farm crops, the best methods of treatment of the land and of conserving the fertility of the soil, the value of rotation of crops and of the ploughing under of clover. A good deal of attention will naturally be given to the question of growing alfalfa, as that is the great crop which has proven so successful on irrigated land in the United States. From statistics, it appears that about 65 per cent of all the irrigated land in the United States is under alfalfa, indicating that it is one of the great crops for a farmer to grow for profit, when he has the advantage of being able to grow it with an ample allowance of water. The growing of alfalfa on irrigated land has generally been associated with dairying or the fattening of cattle, so that we may look for large developments in Alberta in connection with farming, in a comparatively short time. The farm at Lethbridge is situated on what is known as the Alberta Irrigation Company's lands. The water supplied for irrigation is taken from the St. Mary's river. The ditch is about one hundred miles in length, and the area of land they are able to irrigate is quite large. But the irrigation works of the Canadian Pacific Railway are beyond anything ever before attempted in the Northwest. The area covered by their canals east of Calgary is larger than all the irrigated lands in Colorado; and the company expect to spend about \$5,000,000 in completing the scheme. They have already disposed of a good deal of their irrigated land, and expect a great influx of settlers as soon as they are able to supply water. It is our duty, looking after the encouragement of all branches of agriculture, to be early in the field and to collect all the information obtainable, as well as to determine by actual experiments what quantities of water should be used in growing certain crops. Sometimes the farmer who has command of water has used too much and produced a heavy growth of foliage, which delayed ripening, and frost has occurred before the crops were mature, so that injury has resulted from the use of water rather than benefit. It is hoped that after

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carrying on experiments, for a few years it may be possible to lay down rules in regard to the use of water which will be valuable to all that section of country. One of the early results of the use of water will be the production of quantities of useful fodder material on land which heretofore has been of little or no value. This will encourage the stock industry. A superintendent for this experimental farm has been appointed, who is experienced in these lines of work. Some ploughing was done when I was there last August, and we hope to get some experimental work begun during the coming year.

Q. Is this at Calgary?

A. No; this is at Lethbridge. The irrigation works of the Canadian Pacific Railway are east of Calgary. The water of the Bow river is brought to the level of the land at a point about twenty miles east of that town, and near Langdon. At Langdon, a farm for experimentation and demonstration work, is to be established, and another further east at Gleichen. Experiments will be carried on at these farms, to demonstrate what crops can be grown to the greatest advantage, and as to what treatment of the land is best.

By Mr. Blain :

Q. How many acres have you at the Lethbridge farm ?

A. Four hundred acres, 100 acres of which is intended for irrigation experiments and the other 300 for dry farming. While there is a great deal of land in the province of Alberta which can be irrigated, the proportion which cannot be irrigated is very much greater. Hence, the need of determining what can be done on the land that has a slight rainfall is very great. In the arid regions in the United States, within the last few years, much useful work in this way has been done. It is known that some varieties of grain do well in dry districts and produce large crops. This is the case with the Macaroni or Durum wheats, which grow well with a very limited supply of water, and no doubt other varieties and other crops will be found, which can be grown to advantage under such circumstances.

By Mr. Jackson (Selkirk) :

Q. Is the farm bare of timber ?

A. Yes, it is just a bare plain.

Q. You will experiment with trees, I suppose ?

A. Yes ; we propose to plant trees of many different sorts so as to learn what trees and shrubs are best adapted for the conditions of climate found there, and to conduct these experiments on both irrigated and unirrigated land.

By Mr. Wright (Renfrew) :

Q. How long have you had that farm ?

A. It was selected last August and the first furrow was ploughed on it when I was there during the last week of August.

By Mr. Thompson :

Q. Did you ever try experimenting with alfalfa in the East ?

A. Yes.

Q. Will it grow on lands that are irrigated ?

A. Yes, we have grown it quite successfully on the Central Farm, also with some success at Brandon, Man., and at Indian Head, Sask. Sometimes the winters are hard on it. That was the case last winter.

Q. So it cannot be grown as a permanent crop here ?

A. I would not like to offer any positive opinion on that at present.

Q. I have seen that plant in the West, and it is marvellous what it will do.

A. We have had it growing here for several years in succession and in some spots it has survived the severest winters.

Q. In the West it is the chief fodder grown for sheep and cattle ?

A. Yes.

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Q. Where they irrigate ?

A. Yes.

By Mr. Wright (Renfrew) :

Q. When I was through the West I saw some magnificent crops of alfalfa.

A. It grows very well in some parts of British Columbia.

By Mr. Thompson :

Q. In that western country it is a long-lived plant ?

A. Yes, it is a very deep-rooted plant and produces several heavy crops each year.

By Mr. Wilson (Russell) :

Q. We found that the way it was killed out in this country was by pasturing it a little too closely in the field ?

A. Yes; it is liable to be injured in that way, and we have much to learn in regard to the growing of alfalfa. Last year a bulletin was published at the Central Farm on this subject, covering all the particulars we were able to get together as to the success which has attended the sowing of alfalfa in different parts of the East, as well as in the West, and the most successful methods of cultivation.

Of course we propose also to go into fruit growing quite extensively at the Southern Alberta farm, as the climate there is said to be rather more favourable to fruit production than it is in the north.

By Mr. Smith (Oxford) :

Q. Speaking of dry farming, do you propose to follow what is known as the Campbell system ?

A. Yes; and also to test the improvements said to have been made on the Campbell methods. There are some special implements used on the land, under such circumstances, which will be carefully tested. There is an implement called a packer which is very much used in dry countries. There are several different sorts of these, and it is said that by their use the loss of moisture from the land can be greatly lessened. These and many other things will be tried.

LACOMBE FARM.—Another experimental farm is to be located at Lacombe, in Northern Alberta. The negotiations for a site of one hundred and sixty acres are not entirely completed, but it is expected they will be in a few days.

By Mr. Chisholm (Huron) :

Q. Irrigation causes so much evaporation that it might benefit the other areas of unirrigated land and cause more of a rainfall ?

A. That is quite possible, and the larger the area covered by the water the greater the probability of its producing this result. Irrigation may also influence the adjacent lands, through the moisture gradually permeating through the soil. In choosing the site for the farm at Lethbridge the selection has been made with the view of gaining information on this point. The land which is to be used as the dry farm rises sufficiently above the level of the irrigated land, so that it is not likely the water will find its way sufficiently into the soil to interfere with the results obtained, so that a comparison with crops from other farms that are distant from water is likely to be a fair one. All such things have been carefully thought over, and while we cannot possibly say yet what the effect may be of having water on one hundred acres of land for some years or what effect that may have on the three hundred acres adjoining it, we shall have to study these questions out.

Q. My idea would be this: If about one-quarter of that whole arid surface was irrigated, it would certainly increase the amount of evaporation, and the other three-quarters of the area would be greatly benefited by the increase of rainfall ?

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A. Yes, one might expect that; but the proportion of irrigated land will be much less than one-quarter of the whole. Where evaporation is greatly increased, and the water goes into the air, it falls later somewhere, and as likely as not it may fall in the neighbourhood.

By Mr. Wright (Renfrew):

Q. Has it had that result in Colorado?

A. I have never heard that point discussed.

By Mr. Jackson (Selkirk):

Q. Or in California the southern part of which is irrigated?

A. I do not think there has been any marked increase in the rainfall there, or some attention would have been drawn to it. I should expect more effect probably from the soakage of water underneath, than from the increase in rainfall.

In Northern Alberta, the tests to be carried on will be much like what we have been doing at the other western farms. As the climate is considerably different, the lines of experimental work will likely be somewhat modified, to suit the conditions. The character of the soil is also different, and the testing of very early maturing varieties of cereals will be a very important line of work there. Everything, however, that will tend to make farm life there more desirable to settlers, and more attractive to outsiders, will be tried, so as to determine the possibilities of the country along all the different lines of agricultural, horticultural and arboricultural work.

Q. How far is the farm from Raymond?

A. Which, the Lethbridge farm?

Q. Yes.

A. About twenty-five miles.

Q. South?

A. Yes; almost directly south.

By Mr. McIntyre (Strathcona):

Q. It must be one hundred miles?

A. Do you mean Lethbridge?

Q. I beg your pardon.

A. I have driven from Lethbridge to Raymond several times, and I do not think it is more than twenty-five miles.

By Mr. Jackson (Selkirk):

Q. Mr. McIntyre means the northern farm?

A. The farm at Lacombe? That must be several hundred miles.

By Mr. Wright (Renfrew):

Q. Have you got only a quarter section of land at Lacombe?

A. That is all. It is not thought necessary that these new branch farms should have a large area of land. It is not intended at present to keep stock, but to have them large enough to carry on everything in the way of agricultural work that will promote the growth of the country, such as raising of grain crops, fodder crops, fruit trees, shrubs and so on. Everything likely to be of use to the farm is to be tested, and the conditions of the district, as to its being favourable or unfavourable for the growth of such crops will be made known through the departmental bulletins to be published.

By Mr. Jackson (Selkirk):

Q. Have you ever had under consideration the starting of a farm in eastern Manitoba, where the conditions are altogether different from those at the Brandon farm?

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A. Yes, I have often thought of it; but the country is so very large, that it is not possible to reach in a short time all the districts which need help. I suppose you have reference to the Dauphin country?

Q. I mean Dauphin, Selkirk and Provencher—the whole of the country east of the Red river, east and north?

A. The Red river district is a peculiar one in itself, and the sub-soil is also peculiar. There is no doubt that an experimental farm would be very beneficial in any part of the country you have referred to.

By Mr. McIntyre (Strathcona) :

Q. Is it not intended to locate a farm in Northern Alberta?

A. The Northern Alberta farm is being located at Lacombe.

Q. I mean in the Peace River country?

A. No action, so far as I know, has yet been taken in that direction, and the need does not seem to be pressing there as it does in the more thickly settled districts. The situation at Lacombe will be fairly representative of the Edmonton district, and probably of the country as far north as Athabasca Landing. Beyond that the agricultural possibilities are not very well known. There has been a good deal of grain grown about Vermilion in the Peace River country, which seems to be a very good district, but I do not know of any proposal as yet to establish an experimental farm there. Negotiations are nearly complete for the establishment of one on Prince Edward Island in the East, and it is probable that work will be begun on that before very long, possibly sometime during the coming summer. Northern Saskatchewan has also been visited. Several weeks were spent there last summer with Mr. Mackay, the superintendent of the Indian Head farm, inspecting many localities to find out those most promising and suitable. The soil in these several places has been carefully examined and notes taken as to the advantages of each district. The Minister of Agriculture has come, I think, to two very wise conclusions in regard to the location of these farms. One is that they must be within sight of the railway passing through that part of the country, so that the passengers by every train will be able to see the farm and observe some of the work in progress. The other is that they must be within walking distance of the station in the town near which they are located, so that farmers visiting the experimental farm will not have to hire a conveyance in order to go out and inspect the farm.

By Mr. Wright (Renfrew) :

Q. That will be an object lesson with reference to the Central Farm here?

A. The other farms are all nearer than the Central Farm.

By Mr. Jackson (Selkirk) :

Q. How does that apply to the Brandon farm?

A. The Brandon farm is within a mile and a half of the post office, and if we get within that distance it is thought that most of our farmers would find no difficulty in walking that far.

Q. Can you see the Brandon farm from the train?

A. You can see most of it from the train, although at that distance the work in progress cannot be seen very distinctly. The Indian Head farm is alongside of the railway and about half a mile from the town. The farm at Agassiz is also alongside of the railway. At Nappan, Nova Scotia, the railway runs across a part of the farm.

The quarter section at Lacombe is beautifully situated in that respect, and at Lethbridge the line runs through the farm and will be plainly visible to passengers on the trains. It makes a great difference in the influence exerted by any institution as to whether or not it is continually under the public eye. It will be a great advantage to have the farms so located that people can see what is going on every day in

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the year. This will induce people to talk about them and that will help the progress of the institutions very much.

By Mr. Henderson :

Q. Is it not a fact that at the Indian Head farm you have planted rows of trees around to prevent the public in driving along from seeing the farm ?

A. When work was begun there not a shrub or a tree could be seen as far as the eye could reach. Every effort was made to promote tree growth so as to provide satisfactory shelter. Moreover, the superintendent thought it was a good idea to have avenues of trees and windbreaks planted here and there throughout the farm, and now they have grown to a good size. It has become so wooded that when you are on some parts of the farm you have no idea that you are on the prairie at all.

Q. When I was at Indian Head I was ambitious to see the farm, but I could not see it because there was so many trees interfering with the view.

A. There are about 120,000 trees growing on that farm now, and every road is bordered with them. There is no difficulty in seeing the crops when driving along the avenues, and there is nothing to prevent a good view from the train along the front. That is, you can look over the trees. They are not high enough to prevent a view of the ground, and you can see the buildings and part of the crops. This wooded appearance is such an entire change from the adjacent sections that no one going through in daylight is likely to pass the experimental farm without seeing it and that is one of the best advertisements we could have.

I think, gentlemen, that is all I intended to bring before you. I thank you very much for the kind hearing you have given me, and I shall be very glad to do all I can to carry out the suggestions the members have been good enough to make.

By Mr. Kennedy :

Q. Would it not be a good idea to have at the experimental farms large sign boards that could be read from the train very easily ? I know that when travelling on the trains I have had to tell passengers who were alongside of me, and who had never been through the country before, where the different farms were. They were always very anxious to see them, and would have passed without knowing where they were, had I not told them.

A. That has never been suggested before. The farm at Indian Head seems to be well advertised by the trees growing on it, and at Brandon the farm is too far away to permit of any one reading a sign. At Agassiz it might be useful. I am sure it is a suggestion worth considering.

Q. Take it at Agassiz, a great many strangers from the other side visit Harrison Hot Springs and go right past the farm ?

A. At Agassiz I think it might be desirable, because there the frontage of the farm along the track is not so long and they all stop at the station which is opposite the farm to go down to the Harrison Hot Springs.

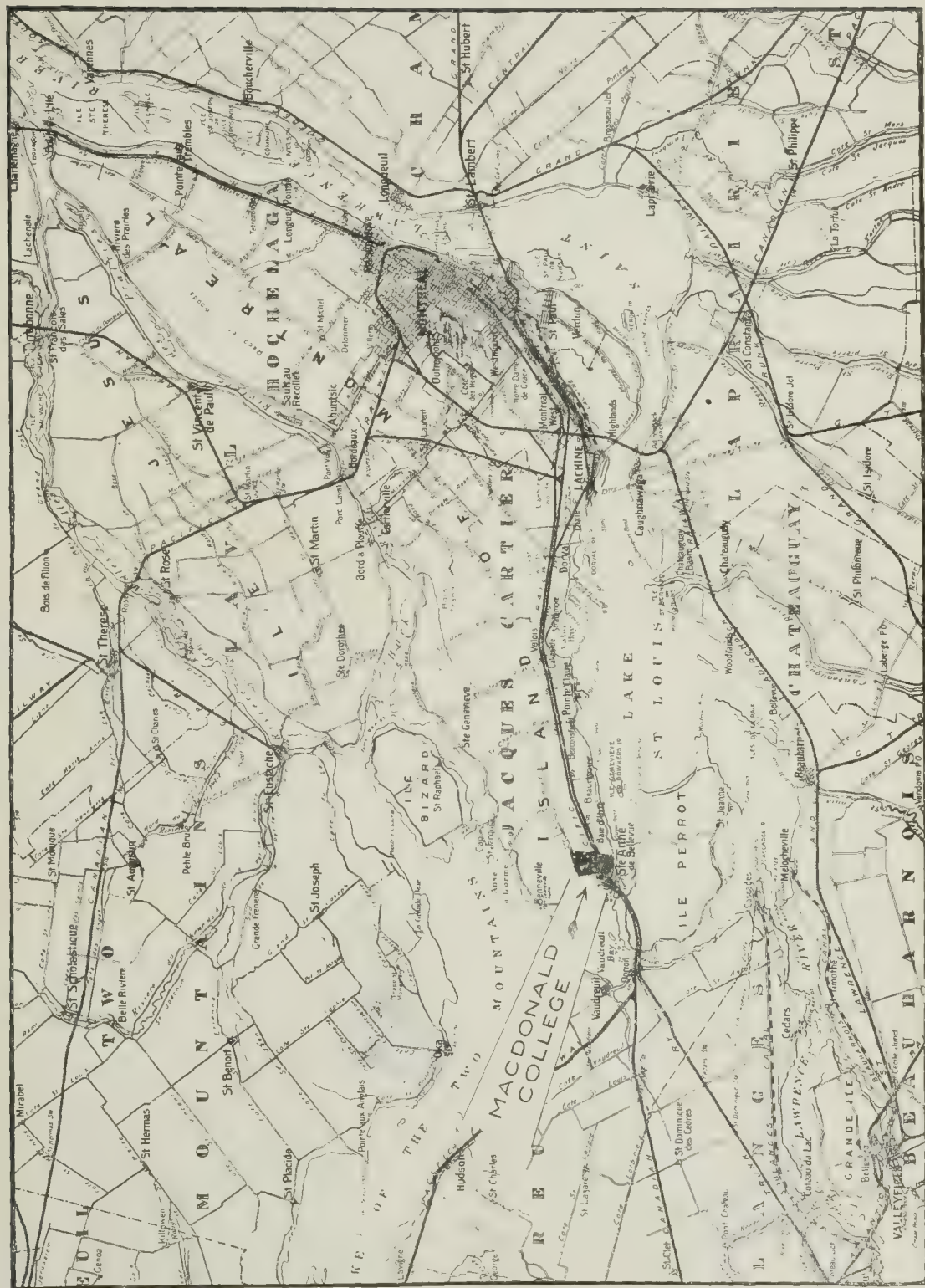
Q. Once they get to the Springs they soon hear about the farm, but they might pass it going out and not know anything about the place, whereas, had they known of the farm, they might have had time to go over the grounds ?

A. Yes. I thank you very much for the suggestion.

Having examined the foregoing transcript of my evidence, I find it correct.

WM. SAUNDERS.

Director, Dominion Experimental Farms.



MAP OF ISLAND OF MONTREAL.

By the kind permission of Messrs. Morton Phillips & Co.

THE MACDONALD MOVEMENT FOR RURAL EDUCATION

HOUSE OF COMMONS,
COMMITTEE ROOM No. 34,
OTTAWA, WEDNESDAY, April 3, 1907.

The Select Standing Committee on Agriculture and Colonization met here this day at 10 a.m., Mr. McKenzie, Chairman, presiding.

Dr. James W. Robertson, Principal of the Macdonald College, Ste. Anne de Bellevue, Quebec, attended by request of the Committee and made the following statement :—

Mr. Chairman and Gentlemen,—I am very much obliged to this Committee for the opportunity of laying before its members some information regarding the Macdonald College, and what has become known in Canada as the Macdonald Movement for the advancement of agriculture and education. Many of us look for much benefit from them to the whole of Canada. I gratefully recognise that in the past, when I had the honour and privilege of being Commissioner of Agriculture and Dairying for the Dominion, this Committee gave me many opportunities in its meetings and in its reports of laying before the people of Canada some of the plans which the Department of Agriculture had under consideration for the promotion of agriculture ; and I am venturing to hope that the Committee will let me, in my new capacity as Director of the Macdonald Movement and the Macdonald College, continue in the same friendly relationship.

SOME PROBLEMS AND EXPERIMENTS.

Some of the problems which we Canadians have to face and solve for ourselves are common to all self-governing nations, but others of them are peculiar to us. For instance, there are special national problems due to our youth ; to our size ; to the character, vastness and potential values of our undeveloped resources ; and to the large amount of foreign blood pouring into our citizenship. The large inflow of foreigners who come to mix with our people adds difficulties to the ordinary problems of agriculture and of education. These people bring in not merely different methods of doing things but different social standards and ideals. The traditions they have inherited, the conditions under which they have been brought up, their outlook on life, these are all different from ours. For our safety and their welfare it is necessary that these people should be so educated, so led and so guided by competent leaders that they will be inclined to live on the land, and not to herd in the cities ; that they will be able to live on the land with profit and contentment to themselves and thus join our own people in making our civilization progressive and wholesome for the whole of us.

To help in the solution of some of the problems arising from those conditions is part of the work for which the Macdonald College has been founded and endowed by Sir William C. Macdonald, of Montreal. We are all making experiments ; we are doing that to the extent to which we live in a way that is consciously rational, trying to do the best we can with ourselves and the conditions in which we find ourselves.

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We are trustees of life, and of the institutions and national honour of Canada, as well as of the immense natural resources of the country. With the highest appreciation of the work of this Committee and of the Parliament of Canada, it remains to be said that many of our efforts in government are still only experiments. Even our form of government, as yet, is only on trial. We have much to learn; much to find out by patient, careful trials in agriculture and education and government, and withal we have reason for some satisfaction in that we are making genuine progress. We are making progress towards having the will of the people prevail in an intelligent way with integrity, with justice, with courage and good-will. Out of our experiments in those matters there are embodied into laws and institutions and customs what we as a self-governing people think to be desirable and good, leaving these flexible and serviceable for further adjustment to new needs.

It has taken the older nations many centuries to learn how to manage their soils in order to get the most out of their climate. That the climate is one of the chief factors in profitable agriculture is sometimes forgotten. It has taken the older countries centuries to accumulate what one may call agricultural and industrial intelligence as applied to rural life. To make up for our youth in those respects, it is necessary that we should do more for the young people who are looking towards agriculture than we have been doing for them, or than has been done for them in any country so far. I think adequate educational and training work is not being done in this or any other country for the young people, looking towards a rural life and agriculture. What to do, and how to do it, are parts of the national problems. It appears to me that the solution of problems in agriculture for prosperous, beneficial rural life are inseparable from progress in education, including agricultural and industrial education. The sure way to increase the wealth and well-being of the people is by the application of intelligent labour, and the quality of intelligence in labour is one of the fruits of some form of education. Instead of standing still and grumbling at what is not, but what might be, it is worth while trying to improve the conditions and to solve the problems which confront us by doing the something which we believe to be right and best and by observing the results of our efforts. All rational progress is attained by learning the lessons from consequences.

THE MACDONALD MOVEMENT.

Permit me to lay before the Committee a brief statement of some of the consequences from some of the efforts which have been made in the Macdonald Movement. I think you will join me in seeing that our efforts have been on the right lines, and that much more can be done in the same direction with great benefit to all the people. Some people look for consequences to come in a capricious sort of way. In agriculture there is no room for caprice; there is the inevitable consequence from every adequate cause. Good crops do not come by chance, and bad weeds are not banished by wishing them away. Take an illustration of this in a rather large way from what has happened in parts of the province of Quebec, not far from where the Macdonald College is located. Many years ago the people were beguiled into the easy-going farm practice of growing and shipping hay; the United States markets were close by and attractive. I could take you in the province of Quebec across vast areas in the St. Lawrence valley which were as fertile in soil possibilities and much more so in regard to the climate than the highly-lauded prairies of the west. Areas immensely superior as places for permanent homes, because of the soil, the climate, the trees and the abundance of pure water. The farmers on those areas in Quebec kept on growing and shipping hay, growing and shipping hay, growing and shipping hay, until those fine stretches of alluvial soil are now yielding less than $1\frac{1}{4}$ tons of hay per acre, and that often of rough and weedy quality. Such land is being gradually impoverished without enriching the people in pocket or in agricultural, industrial or commercial intelligence and ability. The hay from 200 acres when sent out of the

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country carries away more of the elements of fertility than the whole \$6,000,000 worth of butter exported from Canada last year. Do you catch my point? A crop from 200 acres of land shipped out of Canada in the form of hay depletes the soil of the country more than the whole \$6,000,000 worth of butter exported last year. Do we not need more education, more agricultural education, more industrial education for the management of the land of this country? The condition which I have mentioned does not prevail over the whole of Quebec. It is not quite so bad in many parts of Ontario, but a similar condition will inevitably prevail over the prairies of the west, and with much more disastrous results, unless the farmers on those lands, especially the newcomers, are informed and trained how to make the most out of the land without robbing it; how to get the best of crops with regularity while keeping the land reasonably free from injurious weeds. If the land of the west becomes harried and impoverished like some of the lands in the St. Lawrence valley woe betide the west. It has nothing else to fall back on.

For the whole country, then, as a matter of protection, safety and insurance, it behooves us to look well to the training of the young people towards rural life, and to look well to the training of leaders for them. The Macdonald Movement, as helped by Sir William C. Macdonald, has nothing destructive in it. It does not desire to destroy anything that now exists in rural districts, except weeds, but it hopes to help in building up something better than is now known and done, and thereby displace what is poor. It aims at helping the rural population to understand better what education is and what it aims at for them and their children. It plans to help in providing more competent leaders for the horticultural and agricultural population. Somebody's watchfulness, somebody's thoughtfulness, and somebody's thoroughness are always required; and the progress of the people in all worthy ways can be increased in what might be called geometric ratio through intelligent leaders who possess and use such qualities with unselfish public spirit.

SOME RESULTS FROM AGRICULTURAL EDUCATION.

Let me offer you briefly a few instances. The dairying industry is the rural industry in Canada which has been helped most by organized educational effort. It is not the only one that needs it, and it is not the only one that would respond to and profit by it, but it is the one which has had the advantage of organized educational effort for the longest period. Twenty years ago the value of the exports from Canada of butter and cheese was about seven and a half million dollars, whereas the value of the exports of those products last year was over thirty million dollars. There is no part of agriculture that would not respond as fully as the dairying branch has responded. The benefits are not only in the improved quality of the products, in the increased volume and value, but also in the heightened and deepened intelligence of those who are engaged in dairying. The dairy farms of to-day yield more than they did fifteen years ago; the very opposite is true of the hay fields of Quebec which I mentioned a moment or two ago. Besides, there is the intellectual and social alertness of the people. In the one case you have comparative isolation with the least intelligent kind of labour on the land; in the other, you have co-operation at creameries and cheese factories, and the development of business methods and business ability which bring the farmers into association with the manufacturing and transportation interests of the country. I need not pursue that illustration further.

Another instance of the same kind of thing might be taken from the experience of Denmark. Shortly after I had the honour of being appointed a public servant, to help in this forward movement for agriculture and education in Canada, some twenty-one years ago, I paid a brief visit to Denmark. I saw and learned very much there from which I tried to bring back the lessons to the Province of Ontario. At that time the people of Denmark were developing organized industrial and agricultural education for the grown people and for the young people who were to follow

rural occupations. One of the means which they used in later years was what are called 'Co-operative Testing Associations.' These are associations wherein a number of farmers unite to test their milking cows, to discover the most economical methods of increasing the yield of milk, improving the quality of the milk and reducing the cost of production. As a result of three years' work at one typical co-operative testing association, viz.: that of Farrup, the farmers increased the yield of milk per cow by 942 pounds per annum, or 18 per cent, and increased the yield of butter per cow by 47 pounds per annum, or 24 per cent. In the meantime, they managed to improve the methods of feeding the cows, and thus reduced the cost of production. This little kingdom of Denmark, with a population slightly less than that of the province of Ontario, sends to the United Kingdom some of the same sorts of agricultural products as Canada, and takes out of the English markets on an average over eight million dollars a year more than any other country gets for the same quantity of butter, bacon and eggs. That is the premium obtained by the Danes for superiority of quality and condition; the premium for the adoption of industrial and agricultural education. That amount would pay the rural school bill for all of Canada at the present time. The large and wealthy province of Ontario spends some three and a half million dollars annually on all her rural schools, and the kingdom of Denmark takes out of England over eight million dollars annually as a *premium* for superior quality on butter, bacon and eggs. The rural population has been educated towards ability, towards intelligence in regard to rural life, and towards the development of a public spirit which makes for successful co-operation. There are material gains and very much besides.

I recognize that industrial and agricultural education is not all of education; and it is not something different and apart from the more general education given in schools and in colleges as well as on farms, in factories and in offices. It is really a part of life in training for a profitable and enjoyable life. As related to agricultural operations, its problems are two-fold, viz.: those on the side of the business or industries of agriculture and the adult people who are engaged in them, and those on the side of the children who are to follow the occupations when they grow up.

The purpose of agricultural or industrial education is on the one hand to impart, and on the other to acquire useful and usable knowledge pertaining to the conditions, processes, operations, management and organization of the affairs of everyday life, with training in the use of such knowledge in order to develop skill and to secure the benefit of mental, moral and artistic discipline through the acquisition and use of such knowledge.

SOME RESULTS IN EGGS.

Let me cite another instance of the benefits from agricultural education and development which may shed more light on this matter. Some years ago I had occasion to lay before this Committee some information and suggestions in regard to the improvement of the poultry business, particularly in respect to the fattening of chickens. Out of the work undertaken in that regard there grew a few-breeding stations for the improvement of chickens for fattening purposes, and for the advancement of agricultural education as applied to the poultry business among the farmers. At the Macdonald College we now have some 250 pullets purchased last autumn (1906) from two of these poultry stations which had been maintained by the Dominion government. The pullets which we obtained were the selections of the fourth year from hens which were good layers during the winters, and which had vigorous constitutions. At Ste. Anne de Bellevue we have a climate not any milder than that of Ottawa. For our poultry department we have erected one good substantial fire-proof building for office class-rooms, judging room and incubator rooms. I have never seen any buildings at any of the great institutions, devoted to the improvement of agriculture and the advancement of agricultural education, which are nearly the equal of ours at

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Ste. Anne's; and the poultry buildings of the Macdonald College match the others for their purposes, particularly for the students who will take the short or long courses. The fine buildings are for the students. But it does not follow that we should put hens in fire-proof buildings and heat those also by steam or by stoves. We put the hens in small colony houses. The largest of these are 20 feet x 14 feet x 7 feet high. These accommodate from 50 to 75 hens each. We have smaller colony houses, 12 feet x 8 feet x 7 feet high, which serve for 25 hens each. These colony houses stood unsheltered in an open field all through the winter. They are constructed of wood, one board thick, except at the end where the roosts are placed, and there there are two thickness of inch boards with tar paper between. Our 250 pullets did not get into their quarters until some time in November. They began to lay a few eggs on the 19th November, and kept on improving on that all winter. As I have said, the colony houses are only one board thick, and occasionally the thermometer inside the house registered as low as 18° below zero.

The hens never got any cooked food or any troublesome mash; they got no concoctions with pepper in them—I think pepper is the hen's whisky, and whisky does not make for good products. These hens are fed once a day on a mixture of dry grain, containing wheat, oats, barley, buckwheat and corn. That is thrown on the floor which already has a depth of three or four inches of cut straw and roughage. The hens have access to a small trough at the bottom of a hopper containing either bran or crushed wheat. They have also access at all times to grit, oyster shells and meat scraps from the packing house. The winter was an exceedingly severe one. When the weather became cold and the water was frozen up in the colony houses, we stopped supplying water and shovelled in snow instead. These are the simple conditions under which these 250 hens have spent the winter at the Macdonald College. You will have come to the conclusion, to which others jumped, that we did not get many eggs, and that the hens suffered from frozen toes and other injuries.

Before mentioning actual results let me tell you of an instance of another sort which came to my knowledge within the last few days. I was showing a citizen of Quebec over the poultry department. He lives in the city and owns two good farms in the province. He said he had about 100 hens on each farm. His expression was: 'It was an awfully severe winter for hens; we did not get much more than 100 eggs all winter.' That was said by him at the end of March. He had had 200 hens in good warm places, fed in a very painstaking way. At the Macdonald College, as a result of industrial and agricultural education, the result of lessons in consequences, a result of trials to find out what to do and how to do it with the best results, we had 250 hens in these small colony houses scratching for their dry food, fed once a day and picking snow. As I have said, the thermometer ran down occasionally to 15° and 18° below zero Fahr. In the severest weather a cotton curtain was unrolled at night in front of the perches. The hens had no other protection beyond that and the one-board thick colony house. There was no sickness except in the case of two hens which the man in charge told me dropped off the perch from apoplexy, being too fat. These two were not laying any eggs. But in the case of the other hens, while everyone did not lay during the winter, we obtained between the 19th November and the 31st March over 10,000 eggs—to be exact, 10,122 eggs. In the coldest weather we got about six dozen eggs per day, and have been getting about 150 eggs per day in the milder weather. Then, when we put the eggs from these hens in the incubators they tested quite high for fertility, the range being from 93 to 76 per cent fertile. The feed consumed by these 250 hens during the winter cost altogether \$117. These hens are the product of four years' selection, and in the four breeds kept there is not much difference in the results obtained. Twenty-five Rhode Island Reds laid on an average 51 eggs per hen; 25 Buff Orpingtons, 40 eggs per hen; 100 Plymouth Rocks, 40 eggs per hen, and 100 White Wyandotte, 39 eggs per hen, between the middle of November and the end of March. Two hens laid 83 and 85 eggs respectively. Seventy hens laid over 50 eggs each. Fifty-three laid less than 20 each, and thirteen did not

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lay any. Some of them had not responded to the industrial and agricultural education which had been provided. I do not think there is a single department of agricultural work in Canada that will not respond as well as these hens on the whole have done. That is the sort of thing that the Macdonald College is being established for. We are hoping that similar principles and methods will become effective in every department of agricultural and rural life.

By an honourable member :

Q. Did the hens get their feet frozen ?

A. Not a single hen got its feet frozen. A few of the cocks, White Wyandottes and Barred Plymouth Rocks, got the top of their combs nipped. There was not a sick fowl in the lot.

Q. What kind of light did you give them ?

A. We had one big window on the south side.

Q. Of glass ?

A. Of glass, and we can push that back and leave a wire screen in position. We have allowed the window to be open nearly every day all winter.

By Mr. McLennan :

Q. What is the best food for them ?

A. The feed for poultry, if you want to get eggs, should be particularly strong in grain, like wheat. We give wheat, oats, barley, buckwheat and Indian corn, throwing it on top of the straw so that they have to scratch for a living. They do not do that for amusement ; they have actually to scratch to get their living.

By Mr. Findlay :

Q. When it is 18 degrees below zero how do you keep the eggs from freezing ?

A. That is also done without trouble. I do not know that the ordinary farmer would do it, but our man and hens did the work first-rate. We have two rows of trap nests along one side ; after the hen gets in she cannot get out until released. The man goes around twice in the forenoon and lets the hens out. He sees the number on the band of the hen's leg, and pencils it on the egg. The hen sits on the nest until released. It was rather a bother at first, but it works well. We get the record of the hen and she protects the egg. A record can be kept of every hen.

By Mr. Ratz :

Q. Do you have a man there to lock the hens in ?

A. There is a little wire door on a hinge in front of the ordinary nest. The door is pushed inward by the hen, and after the hen has got in, it falls back into place and fastens itself by a drop wire.

By Mr. Derbyshire :

Q. As I understand, you watch the chickens as they come out of the shell to see if they scratch ? If they do scratch you raise them, but the other pullets you do not ; you punish them ?

A. We would not be so unscientifically harsh as that. The only ones we do punish ultimately—which perish finally—are those that do not lay eggs for a long period. Their numbers are not recorded in our book of eggs. They are not what we desire to perpetuate ; we let them drop out. We select those which have elected themselves into the book of eggs.

By Mr. Blain :

Q. What kind of fowls are they ?

A. We keep four breeds. Barred Plymouth Rocks, White Wyandottes, Rhode Island Reds and Buff Orpingtons. Those we find to be useful fowls for all purposes

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—for laying and for fattening also. We shall add other breeds for instruction purposes. If you will come and see us at Ste. Anne's you will find a lot of things that are interesting. I hope the Committee will do us the honour of holding a session there next autumn or next spring.

By Mr. Schell (Oxford) :

Q. How many pounds of grain do the 250 hens consume in a day ?

A. I have got the exact figures here. They consumed altogether from 1st of November until the end of March :

Mixed grain (wheat, oats, barley, buckwheat, corn)	6,100 lbs.
Wheat bran	1,000 "
Skim-milk	200 "
Beef scrap	300 "
Grit and oyster shell	300 "
Mangolds	(Not weighed.)

Q. That is from November until March ?

A. From November until March it cost us \$117 for the grain, grit, beef scrap, oyster shells and the skim-milk, and we sold about \$320 worth of eggs. We could have sold at higher prices. The price was 25 cents a dozen to our own people on the place and 50 cents to city people. We will do better when we are fully organized in reducing the cost of feed, in getting more eggs per hen and in the price.

SEED GRAIN COMPETITION.

Another striking instance of the result of industrial and agricultural education under the Macdonald Movement came from the Macdonald Seed Grain Competition. As direct and indirect results of that competition there has been a remarkable development in the cultivation and systematic selection of grain of high quality for seed. The Seed Branch of the Department of Agriculture itself was a direct outcome of the Macdonald Seed Grain Competition, as was also the formation of the Canadian Seed Growers' Association. As far as I can learn from the officers of the Seed Branch of the Department, before the Macdonald Seed Grain Competition was instituted there was not known outside of the experimental farms more than some 360 acres of reasonably pure Red Fife wheat in the fields of Manitoba and the Northwest. There was plenty of No. 1 hard wheat for marketing, but the seed grain had become mixed. Last year it was reported that there were over 34,000 acres of reasonably pure Red Fife wheat growing in the Canadian west. That is surely a great gain in itself. From that area it should not be difficult in the course of a few years to have the whole of the west seeded in wheat true to name and true to strain. It is highly important for Canada that the reputation of the west for grain of superior quality should be maintained in the markets at home and in the markets abroad. By careful selection the rapidity of increase may be marvellous.

With Mr. C. A. Zavitz, Professor of Field Husbandry at the Ontario Agricultural College, I followed a case where he planted one specially selected seed in 1903—I saw an acre of barley from that seed growing in 1905. Two other remarkable instances of the improvements by Mr. Zavitz may be named here. For twelve years he had selections made of Joannette oats; on the one hand there was selected seed, large, plump and of dark colour; on the other hand, there was selected seed, thin, light and of light colour. A similar selection from each crop as kept year by year for twelve years.

The result was that at the end of twelve years the crop from the large, plump, dark-colored seed yielded 26.1 bushels per acre more than the crop from the light, thin seed of light colour. The condition of soil and weather for both crops were alike. Moreover, the grain from the large, dark-coloured seed weighed 10.5 pounds per bushel more than the other.

The Macdonald Seed Grain Competition grew out of the work done to extend manual training in the public schools of all the provinces of Canada.

MANUAL TRAINING CENTRES.

Sir William C. Macdonald furnished funds to establish manual training centres in connection with the public schools in twenty-one places from Prince Edward Island to British Columbia, and to maintain them without cost to the pupils or the public for a period, in most cases, of three years. At first special teachers of ability and experience were brought in from outside, mostly from England. Some twenty-seven manual training teachers were thus brought into Canada. As time went on Canadian teachers were trained and became duly qualified. Before the end of the period of maintenance by the Macdonald fund, there were forty-five manual training teachers on the salary roll at a cost of some \$3,600 per month, and more than 7,000 boys were taking the courses. Summer courses were provided for teachers of urban and rural schools. In the cities on Saturday forenoons, or at some other convenient time every week, classes were arranged for the teachers from whose rooms the boys went to the manual training centres. In Ottawa these classes were attended by over ninety teachers, and in Montreal and in Toronto by over a hundred in each place. This work was begun seven years ago, and in 1903 (in Montreal in 1904) the local authorities in the several provinces took over and extended the work. The equipment was presented free to the school boards, and in the case of the Normal schools to the provincial governments. Now over 20,000 boys and girls in Canadian schools receive the benefits of manual training in their regular course under the school authorities as a result of Sir William's benefaction in giving that form of industrial and agricultural education a good friendly lift.

I cite the following from a former report I made to indicate the true character of manual training lest some one should suppose that its purpose was to make carpenters or young men skilled in woodwork, admirable as these two forms of ability are in themselves. 'Manual training develops in children habits of industry, and leads them thoughtfully to adjust their acts to desired ends. It begets a sense of responsibility, in response to which the child rises to the exercises of its powers in sustained efforts suited to its strength and intelligence. It brings about the mental habit of appreciating good work for its own sake, and is quite different from that sort of education which consists in informing the pupils about the facts within a definite area of knowledge in order that they may be able to pass examinations on the subjects included within it. The so-called dull boys, who are not quick at book studies, have in many cases been found to show great aptness in the manual training part of education. It prevents them from being discouraged with school life, and from feeling any sense of inferiority to the quick children. It gives them habits of carefulness and makes them self-reliant, hopeful and courageous. All of these are manifestly most desirable educational results. It is also a soothing and strengthening corrective to the quick and excitable children who become over-anxious about examinations on book subjects.'

'The glow of satisfaction from having done something well with one's own hands has certain stimulating and strengthening effects. Is it not the same as that which is revealed by the sacred historian when he wrote "And God saw everything that He had made, and, behold, it was very good." It is a good thing to let boys and girls become partakers of this divine joy in their own work. The happiness which springs from the consciousness of having begun and finished a piece of good, useful work by one's own labour, is more than a mental and physical tonic. In large measure it allies the worker with the Power that maketh for righteousness. It gives power to overcome obstacles, and the power to overcome obstacles in the path of material, mental, moral and spiritual progress is perhaps the most desirable quality which can be acquired through education. "Train up a child in the way he should go, and when he is old he will not depart from it."'



MANUAL TRAINING IN WOOD. MACDONALD CONSOLIDATED SCHOOL, KINGSTON, N. B.

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SEED GRAIN PRIZES.

Out of the Macdonald Manual Training Fund came the Macdonald Seed Grain Competition carried on by boys on farms dotted all over Canada from the Atlantic to the Pacific. The main purpose of this movement was to improve the crops of Canada by encouraging the general use of seed improved by selection from varieties of which the product is in demand or has a relatively high market value. The use of such seed increases the quantity of produce per acre; makes the quality better, and thus renders rural occupations more profitable and the people who follow them more prosperous and more contented. In growing crops two fundamental principles should be recognized : 1. The relative measure of success with which crops obtain their food from the soil and the air is determined by their environment—their opportunities. These opportunities depend primarily on the climate or weather as well as on the soil, and are modified largely by cultivation, particularly by a suitable rotation of crops, by manuring and by drainage. 2. The relative measure of success with which crops obtain their food from the soil and the air is determined by the power of each individual plant to take in, absorb and assimilate food from the soil and the air, the power of the plant to overcome obstacles and the ability of the plant to do things in its own environment. A plant is a living and working organism. Its capacity to live and assimilate is largely determined by the source whence it inherited its qualities.

In the summer of 1899 I put aside \$100—my own money, not the public funds—to offer in prizes to Canadian boys and girls who would send me the largest heads from the most vigorous plants of wheat and oats from their father's farms, partly to learn whether the country could be got ready to accept the principle and adopt the practice, and partly to interest and educate the boys and girls. I had a wonderful response, and I paid the money in prizes with as much enjoyment as any money I ever spent. The letters I got from farmers and from their boys and girls were so suggestive and encouraging that in the following winter I went to my friend Sir William C. Macdonald, of Montreal, and said in substance : 'Here is a great chance to do some educational work in progressive agriculture ; to do something interesting, something attractive, something definite, something beneficial to the whole community, something easy and yet with plenty of difficulties. Farmers and their families may fail to appreciate the educational advantages of a plan or scheme set out in a written statement, but here is something which would be so helpful and instructive to boys and girls that they would go on with it, and the habits of observation and thought and study would go on with them.' I told him \$10,000 for prizes would set and keep this thing going for three years. He provided the money with all good-will—my little \$100 come back a hundred fold—to offer as prizes to boys and girls to encourage them to carry out in practice the plan of selecting the largest heads of the most vigorous plants and growing seed from those heads on a plot by itself.

The yields from the crops of 1900 compared with those of 1903, on an average for all Canada for spring wheat, showed an increase of 18 per cent in the number of grains per hundred head, and 28 per cent of increase in the weight of grains per hundred heads. In oats the figures were 19 per cent of increase in the number of grains per hundred heads, and 27 per cent of increase in the weight of grains per hundred heads. These are results from several hundred seed grain plots operated by boys and girls. Altogether over 1,500 entries were received. Out of that number 800 completed in full the first year's work, and 450 of them completed the three years' work in a satisfactory manner. The operations of the competitors were inspected from time to time during the term ; the parents of the 450 competitors who completed the three years' work were found, as a rule, to be among the best farmers in the localities where they resided. Ninety-two per cent of the reports said on behalf of parents and guardians that the quarter acre hand-selected seed plots carried crops decidedly more vigorous and heavy than the crops

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from the same varieties of grain grown on the same farm in the same season from unselected seed. The plots and farms with these seed grain plots were visited in many cases by an official of the department. It was learned from them, from the operators themselves, and from neighbouring farmers, that the crops grown on these hand-selected seed plots were heavier and better, and that the plants in them were more vigorous than those produced on the other parts of the farm from the ordinary seed of the same variety without systematic selection. When results so notable as those can be gained by three years of intelligent labour, what do you think is possible in thirty years when this practice has become the common one through which to obtain seed for grain growing on the farms throughout Canada?

CANADIAN SEED GROWERS' ASSOCIATION.

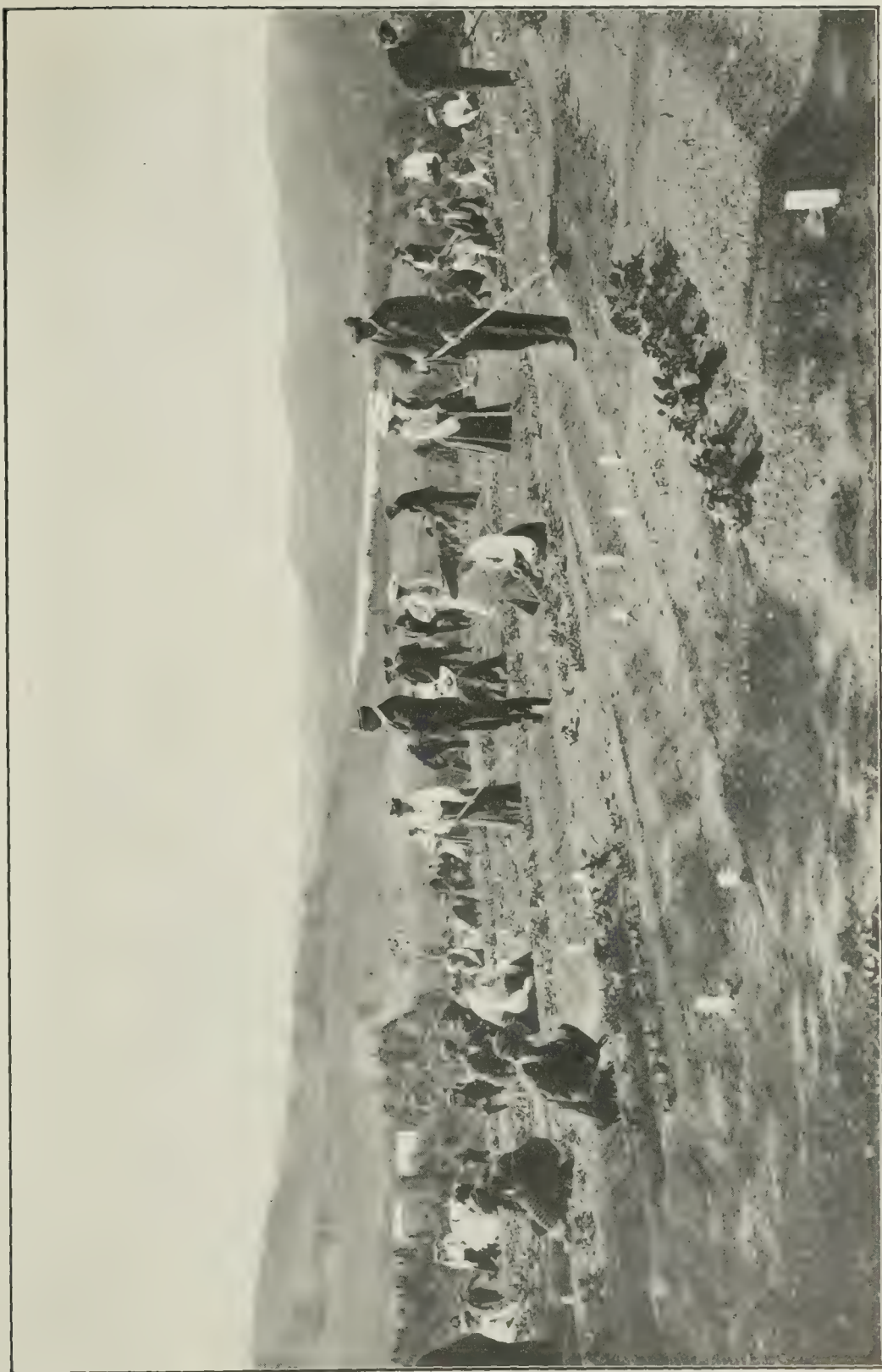
Many of the farmers on whose farms the competition was carried on were formed into the Macdonald-Robertson Seed Growers' Association, out of which grew the Canadian Seed Growers' Association. Its third annual meeting was held in June, 1906, and the report of its proceedings contained a marvellous record of valuable public service. Particular information was obtained from leading members of the association. These reported several distinct and definite gains from the method of selection which had been followed by the members of the association, viz.: the size and quality of the kernels definitely improved; the strains of selected seed maturing more evenly; the strains becoming better adapted to local conditions; varieties being kept pure; the strains becoming more resistant to disease and gaining in productiveness. All these are highly desirable and give added value to the crops in every case.

I made enquiries last year from the Seed Branch of the Department of Agriculture and from members of the Canadian Seed Growers' Association. I gathered from their estimates that one of the direct results from the seed grain competition was an increase in the value of the grain crops of 1906 in Canada to the extent of at least of \$500,000. That is high finance for you. High finance by a man of lofty intelligence and spirit—5,000 per cent on an investment of \$10,000, and the best of it all is that Sir William Macdonald has not sought and did not receive a single dollar of return for himself from it. That is laying up treasures where neither moth nor rust doth corrupt and which goes on gathering and diffusing benefits for ever and for ever for the people.

SCHOOL GARDENS.

Under the Macdonald Rural Schools Fund arrangements were made for providing a school garden at each of five rural schools in each of five provinces. A trained instructor was placed in charge of each group of five gardens and of the nature study work at them. He spent one day at one school and the next at another. The cost of this was met by Sir William Macdonald. If the Committee will permit me I would like to add to my evidence for its printed report some information as to what these school gardens are beginning to accomplish in various places for agriculture. I think the information would be valuable to the public, and I think you would be interested in learning something of the work which has been done in this way. Therefore, with your kind consent, when going over the transcript of my evidence, I shall insert a little more information.

At the school gardens an effort is being made to give the children information and training in three important matters in connection with agriculture, viz.: The selection of seed, the rotation of crops and the protection of crops against disease and insects. It is really industrial education. Children find out something by doing, observing and recording the results themselves, and I say it over again that all worthy progress, in matters that are worthy of thinking about, springs from learning the



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lessons of consequences. As soon as a child understands that, and governs his life accordingly, he becomes a better pupil and the promise of a better citizen in every sense.

The school garden is one way of making rural life more popular as well as efficient. It may be the first step towards actuating the people to pay more to make the schools more efficient. The best education in rural schools should make the people like rural life and also enable them to make it more profitable. The best way to make any workman like his work is to make him understand it. The beginnings of all that and much more are laid in the schools.

I cite only a few instances of the results from the experimental plots in the gardens managed by the children themselves. In Prince Edward Island, at Tryon, the children obtained an increase of 32 per cent in the yield of wheat from a plot on which selected seed was sown as compared with a plot alongside for which the seed had not been specially selected. In Prince Edward Island, also, the children obtained a yield of 17 per cent increase in a barley field after clover, as compared with a plot alongside where no clover had been grown.

At most of the gardens two plots, side by side, were planted with potatoes under equal and similar conditions. The treatment of both plots was alike, except in regard to the spraying with Bordeaux mixture to prevent blight. One plot in each garden was sprayed with the mixture three or five times as the case might require, whereas the other plot was left unsprayed. In every case the yield of potatoes from the sprayed plot was larger than the other. The following list shows the increased yield resulting from spraying at six gardens:

Knowlton, Que.	111 per cent.
Richmond, Ont.	100 per cent.
Carp, Ont.	85 per cent.
March, Ont.	81 per cent.
Guelph, Ont.	43 per cent
Brome, Que.	41 per cent

I quote from an article written by Mr. R. H. Cowley, one of the foremost inspectors of schools in Ontario, who has been appointed recently as superintendent of continuation classes for the province of Ontario :

‘Three leading motives underlie the origin and growth of school gardens in Europe :
 1. To provide a convenient means of supplementing the teachers’ income, thereby simplifying the problem of maintaining the public school. 2. To promote a practical knowledge of horticulture and agriculture, thereby increasing the national prosperity.
 3. To furnish means and material for the practical study of botany as a desirable department of scientific knowledge.

‘The vast majority of European school gardens look to utility. Of the few that recognize the importance of the educational end, nearly all stop short at the acquisition of a certain amount of scientific information and the habit of careful observation. On the other hand, the Macdonald school gardens, while designed to encourage the cultivation of the soil as an ideal life-work, are intended to promote above all things else symmetrical education of the individual. They do not aim at education to the exclusion of utility, but they seek education through utility and utility, through education. The garden is the means, the pupil is the end.

‘The Macdonald school gardens not only have a recognised place in the provincial systems of education, but they are attached to the ordinary rural schools, owned by the school corporations and conducted under the authority of the school trustees and the express approval of the ratepayers.

‘The work of the garden is recognized as a legitimate part of the school programme, and it is already interwoven with a considerable part of the other studies. The garden is becoming the outer class-room of the school, and the plots are its blackboards. The garden is not an innovation, or an excrescence, or an addendum, or a di-

version. It is a happy field of expression, an organic part of the school in which the boys and girls work among growing things and grow themselves in body and mind and spiritual outlook.

'The true relation of the garden to the school has been in good part established by the travelling instructors whom Professor Robertson appointed to supervise the work in each province. These instructors were chosen as teachers of experience in rural schools, and were sent for special preparation, at the expense of the Macdonald fund, to Chicago, Cornell, Columbia and Clark Universities, and to the Ontario Agricultural College, Guelph.

'The chief tools and implements requisite to the school garden are hoes, rakes, hand-weeders, garden lines, one or two spades and shovels, a wheelbarrow, hammer, saw, nails, &c. The pupils, as a rule, require only hoes, rakes and hand-weeders. **Those pupils who are sufficiently mature to work** a plot by themselves or along with a companion, can get along very well with hoes and rakes of the average size. In one case, where smaller tools were supplied, the pupils abandoned them after a little practice for those of the standard size.

'In the largest school, two hours' work per week by the pupils was found requisite to keep the garden in proper condition. In one school the enthusiasm was so great that the pupils did all their garden work outside the regular school hours. At this school, also, the garden did not suffer from neglect in the slightest degree during the midsummer vacation of six weeks. Experience indicates that when the gardens are fully organized the plots can be well kept by devoting two half hours per week to the work. This time is mentioned not as the ideal condition, but as an encouragement to those who may desire to start school gardens in districts where prejudices are likely to be met. The fact is that in the ordinary ungraded school, and for that matter in the urban school as well, the working power of the pupils is ill-sustained throughout the day owing to their merely forced interest in much of the prescribed work. An awakening as to the educational waste of our schools is coming, and when the school garden is seen in its true relation, it will have a period in each day of the school programme during the growing season. The children have ample time to spare, and the work of the gardens is promoting their intelligence and progress in the ordinary school course.'

Mr. E. A. Howes, who is now principal of the Macdonald Consolidated School at Guelph, Ont., had charge of the school garden nearest the city of Ottawa. I venture to include the following extracts from an article by him :

'Bowesville, Ont., which is situated six miles south of the Dominion capital, has long been regarded as one of the most progressive sections in the progressive County of Carleton, and it is to the active interest of its people in the welfare of their school that the credit for a large measure of the success of the movement here is due. They have never interfered but to aid. Land sufficient to make a school ground comprising two and one-half acres was purchased and this was enclosed by a neat fence with turned posts and attractive gates.

'The daily attendance at Bowesville school may be placed at approximately fifty children, ages ranging from six to sixteen. The plan of dual ownership of garden plots has been followed here, a senior and junior pupil having joint ownership in a piece of ground (ten feet by twenty feet), working in conjunction and making a just division of the spoils at time of harvest. This plan gets over the difficulty experienced when juniors are shouldered with the entire responsibility of managing a plot, while it does not destroy the sense of ownership which makes proud the juvenile gardener. In laying out and cultivating the garden plots the entire work, with the exception of the ploughing of the ground, was performed by the children, and, it may be added, cheerfully performed. Neighbouring farmers brought manure for the garden and ploughed the ground.'

'The experimental plots, belonging to the senior class, deserve special notice. Experiments in crop rotation, in the effect of clover growth, and in potato spraying

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have been carried on, and results carefully noted. Bowesville is the centre of the largest potato producing section in eastern Canada, so particular attention was paid to potato spraying experiments. In addition to the class experimental plots mentioned, three of the oldest pupils carried on an independent experiment in spraying. Care was taken that the crop received neither more nor less attention, other than the spraying, than did the crop in a neighbouring field. Rows of potatoes sprayed with Bordeaux mixture were grown beside rows receiving ordinary attention. When the resulting crops were piled side by side in the tool-house, showing an increase equivalent to more than fifty bushels per acre for the sprayed over the unsprayed crops and also a decided improvement in size and quality, the farmers sat up and did more thinking than would have been the case had they read of the same results in some agricultural publication. It is not so much what these plots teach as it is the trend of thought induced.'

SCHOOL GARDENS IN CARLETON COUNTY, ONTARIO.

From report by Mr. J. W. Gibson, the Macdonald Travelling Instructor for School Gardens in Ontario :

'There are five Macdonald school gardens in Carleton county—Carp, Galetta, Richmond, North Gower and Bowesville, and two others, No. 1 March and No. 16 Marlborough.

'The time taken from the regular teaching hours is between one hour and one and one-half hours per week, or about 5 per cent of the school time. My experience goes to show that of their own free will the pupils spend much time in their gardens outside of school hours.

'The pupils receive instructions along the following lines : Soils, plant foods (fertilizers), methods of planting and caring for flowers and vegetables, pruning and grafting of fruits, making and caring for hot-beds, transplanting, making and potting of cuttings, weeds and methods of destroying them, injurious and beneficial insects and means of combating the former, experimental work with plants, spraying to prevent fungous diseases of the potato, tomato, fruits, &c., &c.

'The potato spraying experiment at the Carp garden this year gave an increase in yield of 85 per cent sprayed over unsprayed plots ; No. 1 March garden, 81 per cent gain by spraying ; Richmond garden, 100 per cent (just double).

'The boys understand this work with Bordeaux mixture and it is now being introduced extensively amongst the farmers of these sections.

'Written exercises in English and practical problems in arithmetic, done in the school and at home, are based upon the work in the school garden.

'The teachers affirm that the pupils are more energetic and industrious in the school room as a result of their study of things out of doors. It has helped rather than hindered them in their final examinations.

'NOTE.—As clerk of the entrance examination for the County of Carleton last July I made a note of the following results: From schools where no school gardens have been established, 49 per cent of the candidates passed. From the five Macdonald schools, where all the candidates have been engaged in school gardening for three consecutive years, 71 per cent passed, a gain of 22 per cent, and most of them with high standing.

'The garden work has added new life and freshness to all school work and the teachers have benefited not less than the pupils thereby.

'In these schools there is no longer that old-time tendency to destroy school property. The pupils have a new interest, a "proprietary" interest, in the grounds and buildings as well as in the garden.

'Many of them are turning their knowledge of gardening to good account at home. Twenty boys and several girls in the Carp school alone last year started early plants for their home gardens in hot-beds of their construction. One woman told me

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that her son, ten years old, took complete charge of their home garden, and that they "never had so good a garden before."

'This work is conducive to the physical health and development as well as to mental alertness of the pupils. New teachers have noticed especially the latter characteristic in the pupils of the school garden as compared with the others.

'The moral influence of a properly conducted school garden cannot be estimated too highly. Indeed, they outweigh all others. Here children are trained to respect the rights of others—one of the first principals of good citizenship. They learn independence and industry. They develop a real love for the outside as well as inside the school house. They see more and think more than they otherwise would. They show a growing interest in and a broader sympathy for all living things. They are finding more pleasure and more profit, too, in the cultivation of the soil than they ever dreamed of. Many of these boys will soon be our leading farmers.'

W. H. ELLIOTT, B.A., Vice-Principal Normal School, Toronto, Ont., reported :

From what I saw of the work in Carleton county in my brief visit, and from what I know more definitely of the work done at the Broadview Boys' Institute in our own city, it is my conviction that public school gardens are of inestimable value from a strictly educational standpoint, as well as from the more practical agricultural standpoint.'

The following extracts are from letters and reports received from teachers in charge of school gardens, Carleton county, Ont :

'The school garden seems to fill in the weak parts of our education for the growing child, as it tends to the moulding and developing of his character. I know that the general discipline in my room has been helped by the garden work and also that the pupils like their work in the school room better on account of it. If our politicians would try teaching school with a garden and then without one for two years as I have done, I am certain that they would be willing to grant all the financial support required ; yes, probably be too liberal with it.'

(MISS) M. YORK,
Richmond Public School.'

'My pupils are more observant than they were before we started school garden work and seem to acquire a clearer understanding of all their work. Mr. A—— told me that the school garden had been a benefit to his boys, and that they were more independent in their work both in school and out of school.

W. PETTAPIECE,
Principal North Gower Public School.'

'I am ready to put myself on record as saying that the school garden has relieved much of the drudgery of the school work to which I was always accustomed. This year we had our school garden and it has been the pleasantest year of my school work. I would never again pass a summer without a school garden. I consider that the chief value of the school garden lies in the effect which it produces on the moral tone of the school. The juvenile sense of ownership is the greatest insurance on the success of the garden and incidentally on the care of the whole school property. The garden is the central point of interest for this end of the township, and it is not unusual to have as many as a hundred visitors at the garden on one Sunday afternoon. I have noticed that the cultivation of flowers has received more attention in the homes since the advent of the school garden, and I am often consulted about this work. I have not heard any unfavourable opinion expressed by responsible persons in this community, but on the other hand the most progressive men have spoken highly of the garden work.'

E. A. HOWES,
Macdonald Consolidated School Guelph,
'(Late of Bowesville Public School.)'

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'It is impossible to overestimate the value of school gardening on our boys and girls. Instead of being detrimental (as at first supposed) to their advancement in the other branches of learning, it has had the opposite effect. Since engaging in the work my boys and girls have been first in all examinations, competing with children from other schools, including city schools. The whole tone of the school has been improved morally, socially and esthetically. Our boys and girls have now a reverence for life unknown before, and it has awakened in them, as nothing else could do, a deeper interest in all life around them. It has helped to make school life a pleasure. Now the boy makes the excuse to get coming to school instead of the excuse to remain at home. It has aroused the interest of the entire community. The parents take a pride in "the work of our boys and girls in the school gardens," and never fail to bring their visitors to see the work that is being done there. The pupils learn practical gardening and already their advice and assistance is often sought by parents and others interested in the cultivation of plants. Its influence is seen also in the homes of the pupils. Every home has its collection of house plants inside and its plots and flower borders outside. Our school board has come to realize the value of this work and are anxious to have it continued.'

G. A. MOORE,
Principal Carp Public School.

CONSOLIDATED RURAL SCHOOLS.

Four object lesson Consolidated Rural Schools were provided by the Macdonald Rural Schools Fund—one in each of the four provinces of Ontario, New Brunswick, Nova Scotia and Prince Edward Island.

They were located at places chosen or approved by the Provincial Departments of Education. In each case a new building was erected to take the place of the small schools which at that time were serving the single sections proposed to be consolidated. They were each equipped with ordinary class-rooms and an assembly hall, and also for manual training, household science and nature study with a school garden.

A consolidated school board was elected according to the school law of the province concerned. It manages the school as a part of the school system of the province. The school in Nova Scotia was opened in September, 1903; in New Brunswick, September, 1904; in Ontario, November, 1904, and in Prince Edward Island early in the summer of 1905.

The Macdonald Rural Schools Fund meets for a period of three years the additional expense of the consolidated school over the cost of the small rural schools which formerly served the locality. The school sections contributed exactly the amount of the former expenditure, and the extra cost is met by the Macdonald fund for three years to enable the people of four provinces to have those object lessons and experiments in education.

One teacher from each province was chosen in advance to become the principal of the consolidated school when established. They were formed into a class with the other teachers who were to be in charge of the groups of school gardens and sent on salary and at the expense of the Macdonald fund to receive special training at Chicago, Cornell, Columbia and Clark Universities in the United States, and also at the Ontario Agricultural College. Other excellent teachers were engaged by the consolidated school boards. One object of the consolidated being to fit nature study with school garden work, household science and manual training into a course of study with the hitherto ordinary subjects in such a way as to give the best possible education for rural life, teachers with such special qualifications were employed. That increased the cost of maintenance. The remarkable and great increase in the daily average attendance of pupils also prevented any reduction in the number of teachers required, such as has been the case in the United States. There, consolidation of schools has been effected to a considerable extent in some seventeen different states,

but without the improvement and enlargement of the courses by school gardens, household science and manual training.

The following table shows some of the statistical results from the first years of the consolidation under what I term the 'old' and the 'new.'

Name of Consolidated School.	Sections included.	Teachers employed.		Total of Salary per Annum.		Children enrolled.		Average daily Attendance.		CONVEYANCE.	
		Old.	New.	Old.	New.	Old.	New.	Old.	New.	No. of vans.	Average cost per van per School day.
				\$	\$						\$ cts.
Middleton, N.S.....	8	10	11	3,495	5,729	361	409	198	284	11	2 08
Guelph, Ont.	5	6	7	2,200	4,450	174	258	116	171	8	2 60
Kingston, N.B.	7	7	5	1,700	2,950	125	163	55	134	7	2 15
Hillsboro', P.E.I.	6	6	6	1,190	3,300	148	161	89	119	6	1 67
	26	29	29	8,585	16,429	808	991	458	708	32	

The increased cost of the consolidated schools over the single rural schools is caused largely by the better salaries paid to the teachers. The 29 teachers in the section schools received on the average \$296 per annum ; the 29 teachers in the consolidated schools received on the average \$566 per annum. It will not be necessary to pay so much for the teaching staff in the consolidated schools when the Normal schools turn out teachers qualified to conduct school gardens, some household science work and manual training as well as the ordinary book subjects. The cost of conveyance of the children is a large item of expense. At Middleton, N.S., the average cost per van per school day was \$2.38 in 1903-4, \$2.03 in 1904-5 and \$1.84 in 1905-6. When the school boards undertake to meet the whole expense themselves, still more economical methods of management will prevail. The larger children will walk to meet the vans at convenient points, and in some cases parents themselves will arrange for the conveyance of their children.

The educational results from these schools have been entirely satisfactory to the authorities, to the teachers, and especially to the parents and children. The average daily attendance at the consolidated schools was on the whole over 55 per cent higher than the average daily attendance at all of the schools which formerly served the localities ; at Kingston, N.B., it was over 140 per cent higher.

The attractiveness of the consolidated schools becomes in itself a form of compulsory education—the interest of the children being the power which secures regular attendance. A great point has been gained when love of the school and love of the education there set the pace for progress.

One of the gratifying results is the large number of boys and girls, young men and young women, from rural homes, who are doing advanced or high school work. At one of these schools there were about 100 pupils in the high school grades. Many of these are preparing to be teachers in rural schools. When teachers, who themselves have been educated in consolidated rural schools, with nature study, household science and manual training, teach in single rural schools they will make the influence of their own training tell throughout many of the one-room schools.

At Middleton, N.S., after the three-year period was up, in August, 1906, the people themselves undertook to maintain the consolidated school with all the depart-



HOUSEHOLD SCIENCE ROOM, MACDONALD CONSOLIDATED SCHOOL, GUELPH, ONT.

APPENDIX No. 4

ments. Some of the routes on which the children were conveyed in vans had been six miles long. The area for the consolidated school was reduced, the more distant sections reopening their small schools. Some of the larger children from them find their own way to the consolidated school. The conveyance of the children in vans was a heavy item of expense. It had been over \$15 per annum per pupil in average attendance. That has been greatly reduced. The cost of conveyance is becoming less at all of the consolidated schools every year. As the ratepayers gain experience and become responsible for the expenditure (with perhaps grants of specific sums from provincial governments) the cost will likely be much further reduced. Sir William Macdonald contributes to the Middleton school \$1,200 per annum for a further period of three years. The consolidated schools provide so much better opportunities for education, that, while the cost is more, it is not apparent that the money they do cost could be spent in any other way with so much direct and lasting benefit to the people. And the people of Canada can well afford to spend as much as they desire to spend on their schools.

Notable results have followed in several of the provinces from these object lessons—Consolidated Rural Schools. Dr. MacKay, Superintendent of Education in the province of Nova Scotia, writes that in his province 53 schools have been consolidated into 22 effective ones. In the province of New Brunswick there are four large consolidated schools, each with nature study and school garden, manual training and household science. The provincial government pays half the cost of conveying the children and gives other special grants.

THE MACDONALD INSTITUTE AT GUELPH.

Sir William Macdonald gave the sum of \$182,500 to provide buildings and equipment at the Ontario Agricultural College, Guelph, to train teachers now in the service for this 'new education.' Besides serving that purpose the Institute has become a headquarters for manual training, for household science and for providing short courses of instruction and 'training for farmers' daughters and others in cooking, sewing, domestic art and other branches of domestic economy. Two buildings were erected. Short courses of instruction in nature study and school gardens were provided without fees to teachers. The governments of four eastern provinces where the consolidated schools were established gave scholarships to enable teachers to attend. Over 200 teachers have already taken these courses. When pupils who pass through consolidated rural schools go on through the Normal schools, each with advanced work and suitable professional courses in manual training, nature study and household science, they will be thoroughly qualified to carry on this better system of education.

As illustrating the benefit which the teachers say they have derived from the three month courses at the Macdonald Institute, I quote from two letters, typical of the expressions and attitude of scores of other teachers. Mr. R. F. Blacklock, Principal of the public school, Smith's Falls, Ontario, has said :

'I feel that I am especially indebted to you and Sir William Macdonald for the opportunity of attending the Macdonald Institute. I think I do not yet fully realise how much good I have received, but I feel that my life has been enriched by coming in contact with those grand young teachers from the other provinces and with Dr. Muldrew and the other teachers. Dr. Muldrew inspired me as no other teacher did before, and I am sure this is true of the other teachers, and though Dr. Muldrew is dead, his spirit still goes marching on in the lives of those with whom he came in contact.

'I consider that the course has been a valuable one, because we were given glimpses of the world around us which we did not notice before, and especially because we were together—a band of enthusiastic Canadians pursuing the same line of work. I think I shall have a different feeling towards other provinces because of having come in contact with these people.

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'My work here is very heavy. I have charge of the schools here—twenty assistants—and have to teach a class of 45 pupils, but I feel I am in a position to help my teachers, and through them reach the pupils of this town and interest them more in the great world about us. It will make them better boys and girls—better men and women.

'In conclusion let me again thank you for the part you have played in making this course possible. It is one of the best *federating courses* I know of. I am sure each teacher who was there now has a more healthy respect for the other provinces of Canada than he or she had before.'

Mr. Charles McBurney, principal of the Lachute Academy, Lachute, Que., has said :

'I am taking the liberty of sending you under another cover a specimen of the ordinary class work in drawing as taught by Miss B. C. Hall, a graduate of the Macdonald Institute, Guelph. The time given to a lesson is half an hour, and I took this from the work finished.

'We have two of your graduates on our staff here. They were both good teachers before, but now they are wonderfully good. The course at Guelph gave them inspiration and showed them what to teach and how to teach it. The nature study work is most fascinating for the children and they are learning *to see*. I find that all the other work of the course of study is advancing much more rapidly and the knowledge obtained is much more real because of the time given to that work. We shall have two school gardens going in the spring.'

MACDONALD COLLEGE.

Macdonald College has grown out of these attempts and accomplishments, these trials and experiments and evidences of progress, as well as out of Sir William Macdonald's keen desire to help the rural population to build up the country and to make the most of it and themselves. In some measure it grew out of the school garden movement and the consolidated schools, to serve as a headquarters for the training of leaders. In some measure it grew out of the manual training movement, which is a first necessity in the general education of pupils if they are to profit by technical and industrial education afterwards. In some measure it grew out of the oft expressed desire on the part of the educational leaders over the whole Dominion for such advancement and improvement of education for rural communities as would not only prepare the children for life at its best in rural occupations, but would also satisfy the people as being the right training for their children. In consequence it was founded, erected and equipped for the following among other purposes :

1. For the advancement of education; for the carrying on of research work and investigation and the dissemination of knowledge, all with particular regard to the interest and needs of the population in rural districts.

2. To provide suitable and effective training for teachers and especially for those whose work will directly affect the education in schools in rural districts.

The college occupies a beautiful site, over-looking the Ottawa river at Ste. Anne de Bellevue, twenty miles west of Montreal. The main lines of the Grand Trunk and the Canadian Pacific Railways pass through the property, and the stations of both railways are within its boundaries.

The college property comprises 561 acres, and has been arranged into three main areas, viz.: First, the campus with plots for illustration and research in grains, grasses and flowers, containing 74 acres ; second, the small cultures farm of 100 acres for horticulture and poultry keeping ; and third, the live stock and grain farm extending to 387 acres.

THE BUILDINGS ON THE CAMPUS.

(a). The main building provides administration offices, class-rooms and work rooms for the school for teachers, nat—study, household science and manual train—



THE MAIN BUILDING OF MACDONALD COLLEGE.

APPENDIX No. 4

ing, library and reading-room, museum and assembly hall. (b). Two laboratory buildings furnish accommodation and equipment for the departments of physics, chemistry, biology and bacteriology. Both are connected with the main building by covered corridors. (c). The agricultural, horticultural and live stock building contains class-rooms, work-rooms, a live stock arena, farm machinery hall, dairy work-rooms, cold storage and adjacent green-houses for horticulture. (d). The poultry building has class-rooms, judging room, incubator-rooms, brooder-house and pens for different breeds of poultry. Colony houses for poultry are located on adjoining grounds. (e). The women's residence building contains reception rooms and bedrooms for over 200 students, a dining-hall to seat 350, a gymnasium, a swimming pool and all other modern accessories. It is connected with the main building by a covered corridor. (f). The men's residence building has accommodation for over 150 students, a gymnasium, a swimming pool and other modern appointments.

These buildings are of fire-proof construction in stone, brick, steel and concrete. The roofs of the six main buildings are also of steel and reinforced concrete, and all of the roofs are covered with red tiles.

Every building is provided with a complete system of ventilation whereby fresh air (warmed in winter) is furnished to every room, including bedrooms. A duct from each room removes the foul air and thus insures a continuous circulation of pure air.

Every room has a reinforced concrete floor ; even if the furniture of one room should get on fire the fire could not spread beyond the room itself. There is nothing in the walls or in the ceilings of the rooms to catch or spread fire. In fact, there is not a wooden joist, a wooden stud, or a wooden rafter in any of the main college building. The buildings are put up in such a way as to cost the lowest possible sum annually for maintenance. One desires to speak of their massive and enduring qualities with the modesty which the founder would appreciate. Nothing has been done for display, but the one and a half million dollars invested in the land, the main buildings and their equipment are a gift for the benefit of the rural population of half a continent, with a particular desire to serve the people of the province of Quebec. Besides donating the whole property without encumbrance, Sir William placed a sum of over \$2,000,000 in the hands of the trustees of McGill University as an endowment for the maintenance of the work of the Macdonald College.

The buildings are heated, lighted and supplied with water from the power-house. A system of tunnels provides for the distribution of heat, light, power, water and gas. The power-house contains six horizontal tubular boilers of 150 horse-power each, with engines, electric generators, pumps and a gas plant. The water supply is taken from the channel of the Ottawa river and will be filtered.

THE SMALL CULTURES FARM.

On the small cultures farm is a commodious brick barn for the storage of garden and orchard produce, the grain grown on the experimental plots, the implements of cultivation, the machinery for threshing and cleaning seed, and for the stabling of horses.

There are several acres of apple orchards in full bearing. The greater part of 100 acres will also be used for commercial work, demonstration and investigation with large fruits, small fruits and vegetables. Macadam and other roads have been laid out and built to give ready access to the various sections.

An area of several acres is set apart for poultry runs, where 1,000 hens will be kept in simple colony houses, each built to accommodate from 25 to 75 fowls.

THE MAIN FARM.

The live stock and grain farm, comprising about 387 acres, is in good state of cultivation and provided with well built roads. The farm buildings consist of a farm

house, a number of cottages, barns with commodious stables for horses and different breeds of cattle and a piggery for different breeds of swine. The cattle stables have room for over 80 milch cows and 100 young animals.

As an instance of the use to which the small cultures farm and the main farm will be put, I may mention that we expect to distribute at low rates specially well-bred and selected live stock in cattle, swine and poultry, particularly to agricultural societies and farmers' clubs, throughout the province of Quebec. We propose to take up from time to time some definite research and illustration work, as, for instance, the improvement of the potato crop, in a manner similar to what we have attempted in the case of improving the poultry for the farmers and the markets. By the spring of 1908 we shall be ready to receive a number of apprentice-students who will assist in carrying on the work on the small cultures farm and on the main farm. When bright young men come to us from the farms of Quebec and other parts of Canada, we shall give them an opportunity of learning the best way of doing things under competent instruction. Diligent, earnest and trustworthy young men can earn enough on the college farms in summer to pay their board while attending the college classrooms during the winter. A student-apprentice in six months may earn his board and a first-class, second-class or third-class credit. A first-class credit will entitle the student-apprentice to free board and room, as well as free tuition in the college during the following six months. During these six months he would be expected to devote probably two hours a day to the continuation of his apprentice work in some of the departments such as horticulture, poultry, live stock or farm machinery. A second-class credit would give him three months free board and tuition; and a third-class credit nothing more than board, room and working instruction during the summer. There will also be some openings for young women as student-apprentices.

DEPARTMENTS OF THE COLLEGE..

Students will be enrolled for courses of instructions in one or more of the three departments or schools of the college, viz.:

1. *The School for Teachers* which provides practical and thorough training for teachers in the art and science of teaching.
2. *The School of Agriculture*, which aims to provide a thorough theoretical and practical training in the several branches of agriculture, and,
3. *The School of Household Science*, in which young women receive training in those branches of household economy that make for good home-making.

THE GOVERNMENT OF THE COLLEGE.

Macdonald College is incorporated with McGill University. Under the statutes, the Governors of the University constitute the Principal of Macdonald College together with such other members of the staff of Macdonald College and such other persons as the Governors may see fit to appoint from their own number or otherwise, as the Macdonald College Committee. It is the duty of this Committee to direct the educational policy and curriculum, to frame and enforce the necessary regulations touching the details of the course of study and teaching, the college examinations, the admission of students, the amount and mode of payment of fees, and the discipline and internal government.

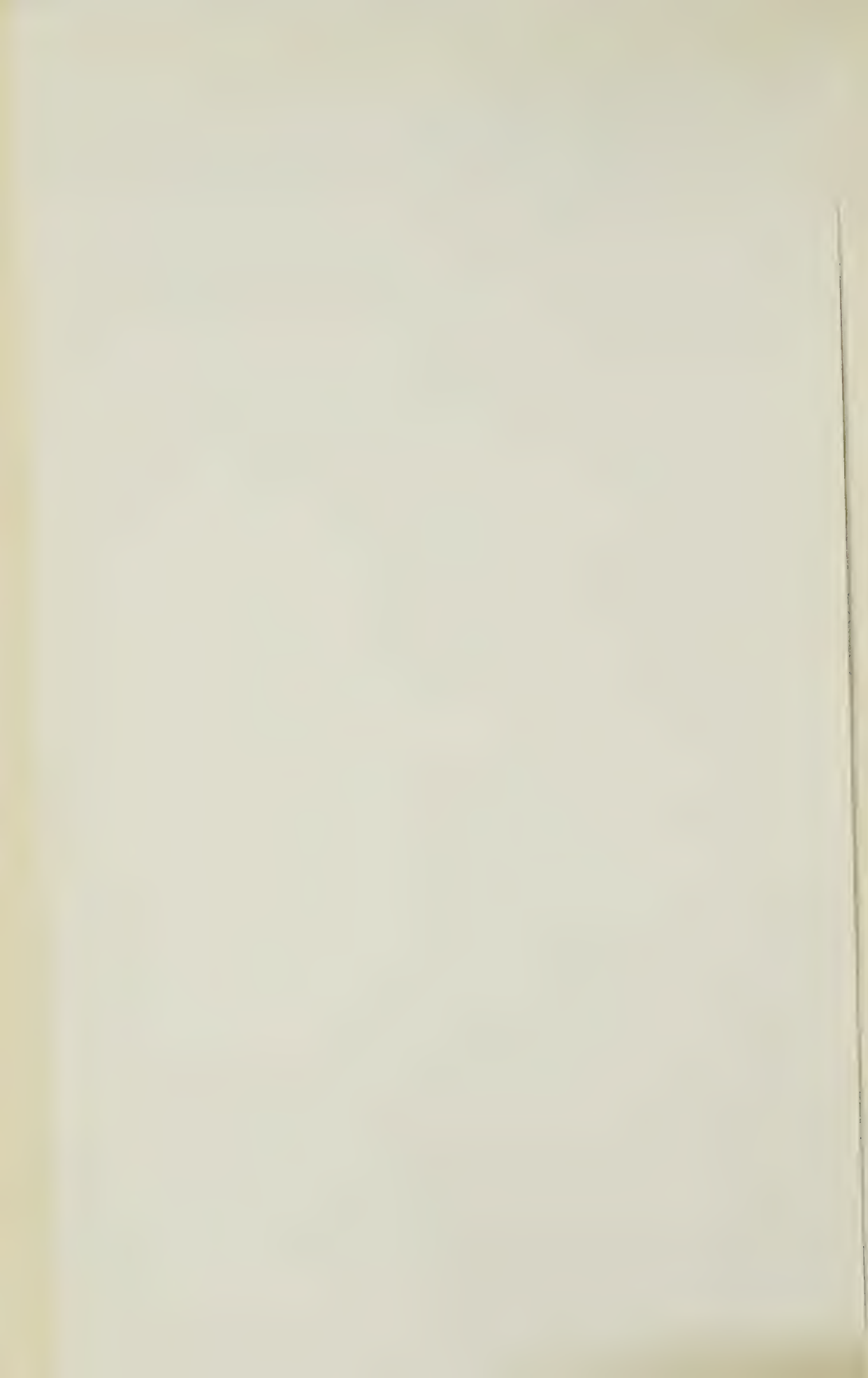
There is also appointed by the Governors, an Executive Committee of the Macdonald College Committee, whose duties are such as the Governors may from time to time determine, or as the Macdonald College Committee may entrust to it.

All courses given in Macdonald College leading to a degree in the University, the examinations held in connection therewith and fees payable in respect of such courses and examinations, are subject to the approval and under the control of the Corporation of McGill University.

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Courses of study for the training of teachers for the Protestant schools of the province of Quebec, together with the examinations held in connection therewith, are under the direction of the Teachers' Training Committee.

The Professors so far appointed are Canadians in full sympathy with the aspirations and ideals of our people and with a knowledge of their needs. We hope for such a mutual bond of sympathy and confidence between the staff, the pupils and the public as will enable the college to render the largest and best possible service to its constituents. In the widest sense its field is the world.

THE SCHOOL FOR TEACHERS

By an agreement with the government of the province of Quebec, confirmed by an act of the Legislature, it was provided that a school for the training of teachers for the schools under the control of the Protestant Committee of the Council of Public Instruction should be established and carried on at Ste. Anne de Bellevue in lieu of the McGill Normal school in Montreal. In this department the college will give a thorough training to teachers by instruction and training in the school for teachers itself, and by practice in the model schools. The arrangements will afford excellent facilities to student teachers from all parts of the province. The session of this school will begin 17th September, 1907, and close on the 17th of June, 1908.

Besides the training of teachers for all the schools under the Protestant Committee in the province of Quebec, the college will receive other teachers for training and will also provide courses for teachers in (a) nature study work with school gardens, (b) household science, and (c) manual training. These teachers may come from any part of Canada and from elsewhere, 'all with particular regard to the interests and needs of the population in rural districts.'

THE SCHOOL OF AGRICULTURE

First terms begins October 1, 1907, and ends December 21, 1907. Second term begins January 3, 1908, and ends April 30, 1908.

Courses are offered in the School of Agriculture as follows :

- A. Short courses of from two weeks to three months each.
- B. A two-year course leading to a diploma.
- C. A four-year course leading to the degree of B.S. in agriculture.
- A. Short courses are provided and made as practical as possible in—
 - 1. Live stock.
 - 2. Seeds, crops and weeds.
 - 3. Poultry.
 - 4. Horticulture.
- B. The two-year course embraces studies in :
 - 1. Field and cereal husbandry.
 - 2. Animal husbandry.
 - 3. Poultry husbandry.
 - 5. Horticulture.

Studies duly co-ordinated are carried on in the chemistry, physics, biology and bacteriology laboratories, bringing out the direct bearing of the sciences on agriculture. Adequate attention will also be given to English, mathematics and bookkeeping.

C. The four-year course : This is a continuation of the two-year course for the purpose of affording opportunity for more advanced knowledge of rural economy and more thorough and exact acquaintance with the natural sciences and their applications to the conditions, processes and organizations of rural life.

A student may proceed with the work of the third year towards a degree :

(a) If on entering his first year he presents a matriculation certificate, or an equivalent, and completes a satisfactory examination on the work of the two-year course ; or

(b) If he obtains 60 per cent in general proficiency in the examinations on the work of the two-year course, and also has the permission of the faculty.

Third year.

English (composition and literature), French, economics, agronomy, live stock, dairying, horticulture, chemistry, physics, biology, bacteriology.

Fourth year.

English, French, physics, chemistry, biology, bacteriology, and one of the following optional courses : Animal husbandry course, agronomy course, horticultural course, dairy husbandry course.

THE SCHOOL OF HOUSEHOLD SCIENCE.

First terms begins September 24, 1907, and ends December 21, 1907. Second term begins January 3, 1908, and ends April 3, 1908. Third terms begins, April 7, 1908, and ends June 26, 1908.

The school of household science occupies along with the school of education all of the second and third floors of the main building. It contains three large kitchens, a practice dining-room, a sewing-room, a class laundry, millinery and dress-making rooms, a house decorating room, a practice apartment house, several store-rooms and offices, all thoroughly equipped for instruction in the science and art of house-keeping.

Courses are offered in domestic subjects, as follows :—

- A. Short courses.
- B. A one-year homemaker course.
- C. A two-year course leading to a diploma.

A. The short courses last three months each, are made as practical as possible, and include the study of :

- 1. Foods.
- 2. Plain cooking.
- 3. Sewing.
- 4. Laundry.
- 5. Home nursing, sanitation and hygiene.
- 6. Home art.
- 7. Care of the house.

B. The one-year home-maker course embraces practical and theoretical work in :

- 1. Foods.
- 2. Cookery.
- 3. Household economics.
- 4. Materials for clothing.
- 5. Dressmaking and millinery.
- 6. Laundry.
- 7. Fuels, ventilation and house sanitation.
- 8. Home nursing and hygiene.
- 9. Home art.

Simultaneous studies are carried on in the physics, chemistry, biology and bacteriology laboratories to show the direct bearing of the sciences on the practical side of housekeeping.

C. The two-year course is an extension of the one-year course comprising a more intensive study of the subjects therein embraced and also more advanced laboratory work in the chemistry, physics, biology and bacteriology departments. English, mathematics and history are also obligatory subjects in this course, and the student is allowed to choose two of the following : Home dairying, poultry, horticulture, seeds and plant improvement and woodcarving.

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TERMS OF ADMISSION.

All candidates for admission to the Schools of Agriculture and Household Science :

1. Must be seventeen years of age.
2. Must produce satisfactory evidence as to moral character and physical health ; and
3. In case of candidates for the courses in agriculture must produce evidence of having worked for a season on a farm in Canada, affording a practical knowledge of ordinary farm operations.

No entrance examination test will be required for the Short Course students, but all candidates for the one and two-year courses will be required to pass an examination in :

Reading, writing and dictation.

English grammar.

Elements of arithmetic.

Outlines of general geography and the geography of Canada.

TUITION FEES AND LIVING EXPENSES.

Tuition will be free to residents of the Province of Quebec, and, to the extent to which there is room, practically free to other Canadians.

There will be a small laboratory fee (not exceeding \$5) to cover the actual cost of materials used, and a contingency fee to cover possible breakages, penalties, &c.

Students in Residence.—The young women in residence will be in charge of a house-mother. A dietician and housekeeper will supervise the dining-room and the work of the servants. A matron will be in charge of the men's residence.

Board and room will be furnished for \$3.25 per week each, where two students occupy one room, and in case of students occupying single rooms \$3.50 per week.

Further details as to the courses, &c., will be found in the announcement of the Macdonald College, which will be sent on application.

In brief, Macdonald College stands for the advancement of education, for the carrying on of research work and investigation and the dissemination of knowledge all with particular regard to the interests and needs of the population in rural districts. Its motto is *Mastery for Service*.

There are no exclusions because of race or religion. We expect that students who belong to the various races, united in Canadian citizenship, will go there, seeking to develop high moral character, sturdy, intelligent and energetic minds and wholesome capable bodies. The college is primarily for the sons and daughters of Canadian citizens, particularly for those of the province of Quebec, but its doors are open to other young men and women of good moral character, physical health and natural talent, who earnestly seek to qualify themselves for filling their places with benefit to others and with credit and satisfaction to themselves.

Mr. Chairman, I thank you and the members of the Committee for this opportunity of presenting to you something of what has been attempted and accomplished under the Macdonald Movement and of the work that is contemplated at and by the Macdonald College. I thought you would be interested in learning something of those matters, and your reception of what I have said has assured me that I was not mistaken.

HON. MR. FISHER.—The information which Dr. Robertson has given to the Committee to-day in regard to the Macdonald College at Ste. Anne's will, I think, be of the greatest interest to the agricultural community all over Canada. I hope that our people generally will take to heart the words that he has uttered in regard to agricultural instruction and development. They show the true spirit of investigation

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and of successful operation. Let me say just one word in regard to this institution at Ste. Anne's. Sir William Macdonald, with large-hearted generosity, and with what I believe to be a true appreciation of the most important needs of Canada, has out of his means placed an opportunity in the hands of the people of this country for enormous good. In doing this and in devoting this large amount of money to agricultural development, and thus appreciating and endeavouring to meet the real needs of this country, he has shown a wisdom as well as a generosity in his gifts. He has shown especial wisdom in choosing Dr. Robertson for the control and management of this institution. Without any desire to flatter, I do not think there is any man in Canada to-day who thoroughly understands the whole agricultural situation and the needs of the country as Dr. Robertson does. His experience as an administrator and public servant has given him unusual opportunities for the study of these things, and his success in the positions he formerly occupied augurs well for his success in this great undertaking. I hope that the members of Parliament, and the members of this Committee especially, will visit the institution in the near future. I have had the opportunity myself of seeing it grow and have felt the most intense interest in all that has been done. I think that Dr. Robertson in characterizing this as the best equipped institution of its kind is not saying one word too much. We have always as Canadians considered that Guelph was the very acme of agricultural colleges. I believe, in the whole world, and we have had the evidence of others who are not Canadians in that sense. With the example of Guelph before him and with the almost unlimited means at his disposal, I believe that Dr. Robertson, with the assistance of Sir William Macdonald, will be able at Ste. Anne's to do even better than at Guelph. I trust our friends will visit Ste. Anne's and observe what is going on there and learn what is intended to be carried on, and that the members of this House and of this Committee will take every means of distributing the information that is contained in Dr. Robertson's address.

THE CHAIRMAN.—I feel sorry that we did not secure an address from Dr. Robertson at a more opportune time this session. Had we met for this purpose earlier in the session we could have given him a much longer time for his address than merely an hour. Unfortunately, we did not think of it. However, we have done the best we could, and I trust that next session we shall afford him a better opportunity of enlightening us on the subject that he has brought to our attention to-day.

On motion of Mr. Sproule, seconded by Mr. Wright (Renfrew), a resolution of thanks to Dr. Robertson for his address was unanimously adopted.

Having examined the preceding transcript of my evidence I find it correct.

JAS. W. ROBERTSON,
Principal Macdonald College, Ste. Anne de Bellevue.

THE EVIDENCE

PART II.

IMMIGRATION AND COLONIZATION

IMMIGRATION.

HOUSE OF COMMONS,
COMMITTEE ROOM 34,
WEDNESDAY, March 13, 1907.

The Select Standing Committee on Agriculture and Colonization met here this day at 11 a.m., Mr. McKenzie, Chairman, presiding.

The CHAIRMAN.—The business before the Committee to-day is the examination of Mr. C. H. Beddoe, Accountant of the Department of the Interior. Mr. Beddoe is present.

Mr. C. H. BEDDOE, was sworn and examined, as follows:—

VISIT OF INSPECTION TO EUROPE.

By Mr. Monk :

Q. Mr. Beddoe, you were sent over by the Department of the Interior to Europe to look through the accounts of the North Atlantic Trading Company, were you not ?

A. Yes

Q. Have you the letter of instructions under which you proceeded to Europe on that mission ?

A. I have not it with me. My mission to Europe was the outcome of a letter which was received from the Auditor General in which he refused to pass any further accounts of the North Atlantic Trading Company until such time as he should receive a certificate from a responsible officer of the department that the expenditure called for under section 3 of the contract had been made, and the minister decided to send me to the office of the company in order to investigate and look into the accounts which had been rendered to the department as evidence of the company having fulfilled that part of the contract.

Q. Is that letter from the Auditor General on file in your department ?

A. Yes, sir. I think it is printed in the Auditor General's report for 1905-6.

Q. Will you produce a copy of it ?

A. I think I have a copy here. (After making search.) Yes, here it is. It was written on September 6. Shall I read it to the committee ?

Q. Well, not for me. If you will produce that copy I will be satisfied for my part.

A. Briefly, the Auditor General points out that the larger question, namely, as to whether the North Atlantic Trading Company had fulfilled all the requirements of the contract entitling them to the payment asked for is one for careful consideration. One of the conditions was that the company agreed to expend in carrying out its operations a sum of money not less than \$15,000, this to be accounted for at the end of each year, terminating 30th June, together with satisfactory proof in the form of vouchers, &c., showing that the expenditure had been made. The letter goes on further but that is really the pith of the thing.

Q. Pursuant to this letter to which you have just referred, did you get a letter of instructions from your own department or a memorandum regarding what you were to do on the other side of the Atlantic ?

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A. Nothing further than that I was to try and carry out the wishes of the Auditor General.

Q. Have you the report which you made in consequence of your trip ?

A. Yes, I have a copy with me. (Produces document.)

Mr. C. H. Beddoe's Report to Minister of Interior.

DEPARTMENT OF THE INTERIOR,

OTTAWA, January 7, 1907.

Honourable FRANK OLIVER,
Minister of the Interior,
Ottawa.

SIR,—In accordance with your request I now have the honour to report in regard to my recent mission to London and the Continent. The necessity for visiting these places was in consequence of the action of the Auditor General, who, as you are aware, refused to pass any further accounts of the North Atlantic Trading Company until a responsible officer of the Department of the Interior would give a certificate to the effect that the books, vouchers and accounts of the company had been examined and that the sums specified in section 3 of the contract had been expended during the years 1903-4, 1904-5, 1905-6.

I arrived in London on Saturday afternoon, 24th November, and proceeded to Amsterdam, the head office of the company, on the following Wednesday night. During my stay in London I had an opportunity to examine and arrange thoroughly the accounts which had been furnished by the company during the three years mentioned. This enabled me to find out exactly what would be needed to give the required certificates. On my arrival at Amsterdam I found no difficulty in locating the head office. There I met the manager, the secretary and the assistant, all of whom speak four or five languages. They have each of them done considerable work in establishing agencies and sub-agencies in different countries and their knowledge of languages makes them specially fitted for that class of work. It is also useful to them because of their being able to translate the voluminous correspondence which comes to the head office. In addition to the head office the company rents another large office near the railway station. I visited this office with the secretary and his assistant and found that they had a large quantity of literature of various kinds and made these quarters the shipping point.

The company has a well established system which enables them to follow out their propaganda in a business-like manner. They have agencies at Hamburg, Rotterdam, London, Libau, Odessa, Obo, Christiania, Stockholm, Copenhagen, Gothenburg and Amsterdam. These are the principal agencies, and there are many sub-agencies attached to each. Special agents are doing work in Scandinavia, Germany and other countries—quite a number of clergymen are assisting in the propaganda.

Owing to the stringent laws on the continent in regard to emigration a system has been adopted by the company which minimises danger to the promoters in this respect. The German, Swiss and Luxemburg propaganda is worked through an agency in another country; the Austrian business is managed at a point in Germany, and so on. The names of those who are considered likely to emigrate are furnished by the agents and sub-agents and suitable literature is mailed to the addresses given. The postage on this literature is necessarily heavy on account of its having to be sent by letter-post. Records are kept in regard to the distribution of the literature showing the date, quantity shipped, name of consignee and destination.

I beg to state that the vouchers and receipts relating to the expenditure during the three years mentioned were examined thoroughly. The payments were verified by the book entries and a large number of correspondence files bearing on the expenditure were also examined in further verification of the payments.

There is no doubt in my mind as to the expenditure called for by the contract having been made and I can certify not only to the sum of \$15,000 having been ex-

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pended in each of the years mentioned, but also that the \$1,000 required to be expended annually in Scandinavia has also been spent. After going over the expenditures I came to the conclusion that the company, knowing that the contract was to run for ten years, deliberately set about forming a widespread propaganda with a view to future business. They were evidently aware as business men, that the only way to obtain a large return was to spend money freely in advertising, and the printing and distribution of suitable literature and also by well organized agencies throughout the continent.

The total expenditure during the years mentioned above was as follows :—

1903-4..	\$29,037 89
1904-5....	29,759 18
1905-6.....	25,631 54
	<hr/>
	\$84,428 61
	<hr/>

Under the contract it was necessary for them to expend only \$45,000 on the continent and \$15,000 in Scandinavia, or a total expenditure of \$60,000 during the period mentioned. The figures above show a surplus expenditure during the three years over and above the sum called for in the contract amounting to \$24,428.61. The expenditure connected with the Scandinavian propaganda was as follows :—

1903-4....	\$9,091 60
1904-5....	6,740 36
1905-6....	7,347 75
	<hr/>
	\$23,179 71
	<hr/>

The expenditure in other countries was —

1903-4....	\$19,946 29
1904-5....	23,018 82
1905-6....	18,283 79
	<hr/>
	\$61,248 90
	<hr/>

The expenditure may be subdivided into three heads—

(1) *Cost of management*, including salaries, rent, postage, travelling expenses, allowance to agents for conducting propaganda, commissions to agents and petty office expenses.

(2) *Printing*—

(3) *Advertising*—

Cost of management.—The salaries paid to the staff at head office are not heavy considering that they devote their whole time to the work. The manager receives about \$1,500, the secretary \$1,400 and the assistant \$750. An allowance is made to the head office in Scandinavia (Gothenburg), amounting to 500 kroners per month to cover salaries and postage—this is equal to about \$125 per month. The principal expenditure for travelling has been incurred by the staff at Amsterdam, who direct the whole propaganda, establishing agencies and sub-agencies throughout the districts covered by the contract. The postage is heavy because the company could not conduct their work openly and the literature, hundreds of thousands of copies of which have been mailed, has been sent by letter-post. An allowance has been made to some of the agents for furthering the propaganda work. The petty office expenses consist of taxes, fuel, light, telegrams, &c.

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Printing.—During the three years ending June 30, 1906, the following literature was printed :—

1903-1904.

- 335,000 copies of pamphlet *Canada*, in seventeen different languages.
- 115,000 copies of *Canadakarten* in eight different languages
- 350,000 covers for pamphlets.
- 150,000 copies of German pamphlet *Canada*.
- 150,000 wrappers for German pamphlet.
- 5,000 pamphlets printed in Dutch.
- 100,000 copies Swedish paper *Heddelande*.

1904-1905.

- 300,500 copies of pamphlet *Canada* in sixteen languages.
- 250,000 covers.
- 100,000 *Canadakarten*.
- 35,000 Scandinavian cards.
- 20,000 Swedish pamphlets.
- 5,000 Swedish circulars.
- 5,000 Norwegian circulars.
- 50,000 German pamphlets.
- 50,000 wrappers and application forms.
- 5,000 'Letters from Clergymen.'

1905-1906.

- 275,000 copies of pamphlet *Canada* in thirteen different languages.
- 300,000 covers for pamphlet.
- 173,500 agents' advertisements on back of pamphlets.
- 5,000 large Dutch pamphlets, 20 pages with map.
- 130,500 *Canadakarten*, printed in thirteen languages.
- 15,000 large Swedish pamphlets, 28 pages.
- 10,150 large Norwegian pamphlets, 32 pages.
- 100,000 maps lithographed in three kinds, 75,000 in five colours and 25,000 in six colours.
- 1,000 Hungarian pamphlets, large size.

The cost of the printing, including engravings, blocks, freight and translating, was as follows :—

1903-4.....	\$ 6,516 21
1904-5.....	3,995 14
1905-6.....	3,920 96
	<hr/>
	\$14,432 31

Advertising.—In addition to the printing of literature the company adopted a systematic method of advertising, principally through large advertising bureaus. Copies of newspapers containing the advertisements have been furnished to the department. It may be mentioned that no large expenditures were incurred at the agencies, either for printing or advertising, until estimates had been submitted to the management. The company has endeavoured to obtain the best results at as low a cost as possible. Advertisements have been inserted in hundreds of newspapers in Scandinavia and other countries on the continent. The total cost of advertising during the three years amounts to :—

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1903-4.. .. .	\$ 3,294 68
1904-5.. .. .	7,480 89
1905-6.. .. .	3,696 51
	<hr/>
	\$14,472 08
	<hr/>

In conclusion I would say that from the evidence produced by the management there can be no doubt as to the company having fulfilled its part of the contract in respect to the expenditure of the sums mentioned. There can be no doubt as to the result of their propaganda—Canada has received an increasing number of emigrants each year, although the number from Scandinavia was not what might have been expected from the sums expended.

Respectfully submitted,

(Sgd.) CHAS. H. BEDDOE,

Accountant.

Q. How long were you in Amsterdam ?

A. About one week.

Q. How long were you in London ?

A. I think about the same time.

Q. Did you return from Amsterdam to London ?

A. Yes.

Q. Then if I understand right, you went from London to Amsterdam in pursuance of this letter, and returned to London, and from London returned here ?

A. That is right, yes,

Q. Who assisted you in the examination of the accounts of the North Atlantic Trading Company of London ?

A. In London ? No one except myself.

Q. Was there somebody there who produced the accounts to you ?

A. I took the accounts with me. I had not the opportunity before leaving Ottawa to go into them as thoroughly as I would like to so I stayed for some time in London and arranged them in such a way that it would enable me to check them when I arrived in Amsterdam. That is what I referred to when I said I was examining the accounts in London.

Q. When you came back from Amsterdam, did you remain long in London ?

A. I think for four or five days.

Q. You say you took the accounts from here to London but you had some accounts to audit in London, had you not ?

A. Not to audit. I went over them carefully and arranged them. I mean the accounts which I took with me from here.

Q. What you did in London then was merely, as you state in your report, examine and arrange thoroughly the accounts which had been furnished by the company ?

A. Yes.

Q. During the three years' agreement ?

A. Yes.

Q. You made no examination or audit in London, I mean of any accounts or documents there ?

A. No, none at all.

Q. And these accounts and vouchers which you took over to London are in the department here ?

A. Yes, they are in my office now.

Q. You have them all together ?

A. Yes.

Q. All that you took over, all the documents that you took over, you have together in your office here ?

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A. Yes. Well, I should not say all, there were some which I left in Amsterdam. They were accounts which had been considered by the Auditor General as not reliable vouchers and I left those in the office of the North Atlantic Trading Company and instead of duplicates which had been furnished I brought back the originals.

Q. Did you make inquiries in London as to where you were to go and whom you were to see in Amsterdam in regard to the North Atlantic Trading Company?

A. No, I was instructed to go to Amsterdam, to the office there.

Q. Then if I understand right during the week you were in London, before proceeding to Amsterdam, you had nothing to do with our agents there, you were merely attending to your own work?

A. With the agents of the——

Q. With the agents of the department?

A. Yes, I spent considerable time with the assistant superintendent of emigration there, Mr. Bruce Walker.

Q. In regard to this audit?

A. No, other matters.

Q. Other matters?

A. Yes.

Q. These accounts which you took over to London to examine there, covered three years if I understand right?

A. Yes, that was all that was asked for by the Auditor General, 1903-4, 1904-5, 1905-6.

Q. And it was in London that you first examined these accounts?

A. I had looked over them in a cursory way in the department but never examined them thoroughly.

Q. Are they very voluminous?

A. They were not very voluminous, no.

Q. Roughly speaking, how many documents would there be in connection with this?

A. I could not say exactly, there must be 400 I suppose.

Q. 400?

A. That is speaking roughly. They furnished samples of literature that had been printed. Of course I am not now including samples of the advertisements. We have boxes of those in the department now; we have all the advertisements that were placed in the newspapers in various countries on the continent.

Q. Did you prepare an audit in London in consequence of your examination of these four or five hundred accounts, an original audit, or what did you do with them in London?

A. That is before I went to Amsterdam?

Q. Yes?

A. I arranged them and made summaries and had the details as full as I could so that I would have them ready for reference. I thought it would be better to do that than to use each voucher.

Q. You prepared a statement?

A. Yes.

Q. Have you that statement?

A. No, I have not.

Q. Have you kept it?

A. No, I would be ashamed to show it to any one, it was done so roughly.

By Mr. Maclean (Lunenburg):

Q. It was only a classification?

A. That is all.

Q. For your own convenience?

A. Just for my own convenience.

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By Mr. Monk:

Q. There was no statement prepared ?

A. No statement prepared.

Q. No formal statement ?

A. No statement.

Q. Will you produce before the committee this package of documents which you took over to London ?

A. Yes. Does the committee want it this morning ? If so I will telephone for it.

Q. No, sir, it will be sufficient if you will have the documents here at the next meeting. Do you happen to have with you a copy of the contract of the Canadian government with the North Atlantic Trading Company under which the difficulty as to these accounts arose, because there were three different arrangements ?

A. Do you mean the contract under which that section was included which I spoke of just now ?

Q. Yes.

A. I think I have it with me.

Q. I suppose it would be the last contract ?

A. Yes. This is the contract of November 28, 1904. (Produces contract.)

CONTRACT WITH NORTH ATLANTIC TRADING COMPANY.

Agreement bearing date the twenty-eighth day of November A.D. 1904.

Between His Majesty the King, represented herein by the Minister of the Interior of Canada, hereinafter called the minister, which expression includes also the successors in office of the minister, His Majesty as so represented, being hereinafter referred to as the government, of the first part, and the North Atlantic Trading Company, of Amsterdam, Holland, a body corporate and politic, hereinafter called the company, of the second part.

Witnesseth that in order to secure the carrying on of a propaganda in certain European countries to promote emigration to Canada it is agreed by and between the parties hereto in manner following, that is to say :

1. The company shall and will carry on an active educative work in the agricultural districts of the following countries, namely, Holland, Denmark, Russia, Germany, Austria-Hungary, Luxemburg, Norway, Sweden, Finland and Switzerland, and any other countries which in the judgment of the minister it may be desirable to add to the agreement from time to time to promote emigration to Canada and to make known the advantages offered by Canada as a field for settlement.

(a) by advertisements in the public press ;

(b) by pamphlets published by the company in the various languages of the countries referred to ;

(c) by personal canvass of representatives of the company ;

(d) by other methods which may be suggested through experience gained in the prosecution of the work.

2. The company shall submit all such advertisements and publications to a representative of the Department of the Interior of Canada, if so required, and the same if found unsatisfactory shall be changed to meet the requirements of such officer.

3. The company agrees to expend in carrying on its operations a sum of money not less than £3,000 or \$15,000 annually which is to be accounted for at the end of each year ending 30th June by receipted vouchers, sworn statements or other evidence in proof of expenditure made under this agreement.

4. For the services to be rendered by the company the government shall pay to the company, in accordance with the terms of this agreement, a bonus of £1 for each man, woman and child of the agricultural class and for each girl of eighteen years of age or over of the domestic servant class, arriving in Canada from any of the countries above named other than Switzerland, or any countries added to the agreement as

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aforesaid, and for each such person of the German race arriving in Canada from Switzerland.

5. It is agreed in respect of settlers from Galicia, Bukowinia and Poland, excepting Germans, that the bonus under this agreement shall not be paid on any immigrants in excess of 5,000 coming from these three countries in any one year and this provision shall be made applicable to all accounts between the department and the company in respect of past services, which are as yet unsettled.

6. In order to assist and encourage the company in a special effort in Norway, Sweden and Finland during the next three years, and after that in any countries which the minister may name, the government shall make a grant to the company of £750 a year for special work in those countries on condition that the company undertakes to spend a further amount of £1,000 a year for such special work.

7. The government shall make payments to the company in monthly or quarterly payments as reasonably soon as the accounts can be adjusted. Payments, however, need not be made between March 1 and August 1 in each year if it should not be convenient to make them.

8. No bonus is to be paid on any immigrant not mentally and physically fit, or who is a criminal or has a criminal record, and any expense incurred in having such persons cared for or deported is to be charged against the account of the company.

9. The company agrees that the deposit of £1,000 now held by the government of Canada as a guarantee of good faith and security for the due fulfilment of the agreement or arrangement heretofore existing with the company shall be retained for a further period of three years, interest thereon at three per cent per annum to be paid to the company in the meantime.

10. The government shall furnish the company each month with a statement

(a) of the number of persons who have arrived in Canada from the said countries, showing the number from each country ;

(b) of the number of agriculturalists and of girls over eighteen of the domestic servant class among the immigrants from each country ;

(c) of the sum to which the company is entitled in payment for such immigrants under this agreement.

11. It is further agreed that the company shall not in carrying out their contract with the government act in contravention of the laws of any of the countries in which it is operating.

12. This agreement shall continue in force for ten years from the date thereof, subject, however, to the right of the government to cancel it by notice in writing under the hand of the minister if it shall appear to the satisfaction of the minister that the company is failing to carry out its obligations and subject also to the right of either party to terminate the agreement on four years' notice.

In witness whereof the corporate seal of the company has been affixed hereto and this agreement has been signed by the manager and the secretary of the company and has been signed and sealed by the Minister of the Interior of Canada on behalf of the government.

The North Atlantic Trading Co.,

Manager.

Secretary.

Minister of the Interior.

Q. That is the contract ?

A. Section 3 reads, 'The company agrees to expend in carrying on its operations a sum of money not less than £3,000 or \$15,000 annually, which is to be accounted for at the end of each year, ending June 30 by receipted vouchers, sworn statements, or other evidence in proof of expenditure made under this agreement.'

Q. You say in your report 'I arrived in London on Saturday afternoon November 24 and proceeded to Amsterdam, the head office of the company, on the following

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Wednesday night?' Now, pursuant to the instructions that you had received, what did you do in Amsterdam.

A. I went to the office in Amsterdam.

By Mr. Carvell:

Q. Where?

A. In Amsterdam.

Q. On what street?

A. 92 Damrach.

Q. Did you have any difficulty in finding it?

A. No, sir, it is on the main street in Amsterdam, the principal street there.

By Mr. Maclean (Lunenburg):

Q. Was the door open?

A. Yes.

By Mr. Monk:

Q. Whom did you see there?

A. I saw the secretary of the company, sir.

Q. Who is that?

A. Mr. Cohen.

Q. Did you see any other officials?

A. Yes.

Q. Which?

A. Mr. Gluck, manager, and Mr.———. I can scarcely pronounce the name, but it is something like Pleiffel.

Q. What is he?

A. He is a sort of clerk or assistant there. There were three in the office.

Q. Had you apprised them of your visit beforehand? Did they know what was the object of your visit?

A. I think a letter had been sent to Mr. Cohen, notifying him I was to be there because it might happen that my trip would have been in vain if I had gone there and found him away.

Q. Did you communicate with them from London?

A. I did not.

Q. You had no communication with them at all before going?

A. No communication whatever.

Q. What did you do then, sir? Will you give the committee an idea of how you proceeded?

A. I gave Mr. Cohen a letter of introduction, and that letter stated exactly what I was sent over for—to audit the accounts for the three years which I have mentioned. I told him that I had brought the accounts with me and I wished to examine the books and make myself acquainted in every way with the facts concerning the expenditure in order that I might see that the money had been expended to enable me to give a certificate accordingly. That was practically what I said.

Q. Did you see any other persons connected with the company?

A. None.

Q. Did you see the president?

A. I did not.

Q. Did you make any inquiry as to who the company was?

A. I did not.

Q. Or who were the parties interested?

A. No.

Q. Had you no instructions to make that inquiry?

A. No.

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Q. And you did not take upon yourself to make any inquiry upon that point ?

A. No, I did not.

Q. So that you do not know to-day, beyond having seen these three gentlemen in the office on that Wednesday and following days, who this company is ?

A. Do you mean the names of those who composed the company ?

Q. Yes.

A. I do not.

Q. Do you know if the company is carrying on business still ?

A. It was when I left Amsterdam. I asked, in view of the fact that the contract had been cancelled, whether they had stopped altogether their operations and they said no. And the fact that they were still carrying on that office there showed that to be correct.

Q. Do you know if the company is carrying on business under the charter obtained in Guernsey or under any charter or memorandum of agreement ?

A. I presume it was carrying on its business in connection with the charter that was obtained at Guernsey ?

Q. And you made no inquiry as to who the shareholders were ?

A. No, I did not go over for that purpose. I was sent to audit the accounts and beyond that I did not do anything else.

Q. Did these men expect your visit ?

A. I think a letter had been sent to them to tell them I was coming so they must have expected me.

Q. Had a date been fixed for your visit there ?

A. Not an exact date.

Q. You do not know whether anybody communicated with them from London to tell them that you were coming on that particular date ?

A. I do not know.

Q. You asked nobody to let them know ?

A. No, I did not.

Q. You say in your report 'They have each of them done considerable work in establishing agencies and sub-agencies in different countries, and their knowledge of languages makes them specially fitted for that class of work.' How did you ascertain that ?

A. By personal conversation with them.

Q. By conversation with them ?

A. Yes, and knowing that they were able to conduct their correspondence in different languages.

Q. How did you know that ?

Q. By seeing the correspondence.

Q. Do you speak different languages yourself ?

A. I speak English fairly well—that is the only one—and a little French.

Q. They told you themselves ?

A. Yes.

Q. And in the same way they told you that they had established sub-agencies in different countries, as you say in your report ?

A. Yes.

Q. Who told you that, Mr. Cohen, or Mr. Pleiffel, or the other gentleman ?

A. Mr. Cohen.

Q. It was Mr Cohen who gave you this information ?

A. Yes.

Q. Personally you know nothing about it ?

A. I have never visited these sub-agencies, if that is what you mean, sir.

Q. What is the extent of your knowledge as to the existence of these sub-agencies? Could you tell us where they are and who are the sub-agents ?

A. I have a list of the sub-agents in Scandinavia.

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Q. You have that with you ?

A. Yes.

Q. Will you produce it ?

A. Yes. (Produces document.)

List of names of agents in Sweden, Norway, Denmark and Finland who ordered and obtained through us the Canada pamphlets during the period 1903-1906, viz.:-

Allan Line—

Bennett, Chas., Christiania, Norway.
 Berset, T., Aalesund, Norway.
 Borg, Broderne, Helsingborg, Sweden.
 Granlund, C., Kalmar, Sweden.
 Jrgensen, Malmo, Sweden.
 Lundberg, C. A., Goteborg, Sweden.
 Martens, J., Bergen, Norway.
 Rath, J., Kopenhamn, Denmark.
 Solem, Rich., Trondhjem, Norway.
 Wathne, J. L., Stavanger, Norway.
 Winge, G. E., Stockholm, Sweden.
 Ullitz, C. F. C., Kristianssand, S. Norway.

American Line—

Gunderson, C. A., Bergen, Norway.
 Hohnke, G., Christiania, Norway.

Anchor Line—

Anderson, L., Malmo, Sweden.
 Johansen, O. J., Trondhjem, Norway.
 Lie, Fr., Christiania, Norway.
 Lundberg, J. B., Goteborg, Sweden.
 Nilsen, C., Kopenhamn, Denmark.
 Ulstrup, E., Stavanger, Norway.

Canadian Pacific Line—

Appelberg, Johan, Malmo, Sweden.
 Edenholm, C. J., Goteborg, Sweden.
 Litland, A., Bergen, Norway.
 Pettersson, Ernst E., Ostersund, Sweden.
 Raffel, Albert, Christiania, Norway.
 Ruud, Oluf, Trondhjem, Norway.
 Sandagger, S., Brrup, St. Jyll, Denmark.
 Sannes, O. H., Kristianssund N., Norway.
 Sivertsen, Sig., Trondhjem, Norway.
 Stange, Nicolay, Stavanger, Norway.
 Terkelsen, A., Kopenhamn, Denmark.
 Tnnesen, Hs., Christianssand, S. Norway.

Dominion Line—

Andersen, C., Jaegersborg, pr. Juelsminde, Denmark.
 Dreyer, C., Bergen, Norway.
 Gulaker, Ole, Trondhjem, Norway.
 Haabeth, Brderne, Stavanger, Norway.
 Larsson, E. F., Stockholm, Sweden.
 Musaeus, Nils N., Aalesund, Norway.
 Prahl, Joachim, Kopenhamn, Denmark.
 Rasch, Olof, Christiania, Norway.

Finnish Steamship Company—

Bostrom, Karl, Kotka, Finland.
 Finska Angbats Akt., Bol.'s Emigrantkontor, Hango, Finland.
 Finska Angbats Akt., Bol.'s Emigrantkontor, Helsingfors, Finland.
 Finska Angbats Akt., Bol.'s Emigrantkontor, Kuopio, Finland.
 Friborg, Karl, Jakobstad, Finland.
 Grundstrom, Fr. & Co., Raumo, Finland.
 Halonen, H. H. H., Kemi, Finland.
 Hallongren, H. J., Ostermyre, Finland.
 Hansen, P. K., Mariehamn, Finland.
 Holstius, J. H., Nykarleby, Finland.
 Lundberg, K., Viborg, Finland.
 Sjoblom, Hugo, Kristinestad, Finland.
 Sjablom, Hugo, Vasa, Finland.
 Sjoblom, Ivar, Bjorneborg, Finland.
 Sjoblom, Ivar, Tammerfors, Finland.
 Stromberg, A., Gamlakarleby, Finland.
 Wikestrom, Joh. Gust., Lovisa, Finland.
 Wikestrom, Joh. Gust., Abo, Finland.
 Winckelmann, E., Uleaborg, Finland.

Skandinavien-America Line—

Myrset, A., Trondhjem, Norway.
 Miller, C. W., Kopenhamn, Denmark.
 Reis, A. E., Goteborg, Sweden.
 Skand.—Am. Kontor, Malmo, Sweden.
 Skand.-Am. Konto, Stockholm, Sweden.

White Star Line—

Hansen, T. Ch., Christiania, Norway.
 Hallstrom, C. W., Goteborg, Sweden.
 Nilsen, Caspar, Bergen, Norway.

Q. This last exhibit, No. 3, which is produced by you as containing the names of the sub-agents of this company, was given you by whom?

A. By the officers of the company.

Q. Mr. Cohen?

A. Yes.

Q. It purports upon its face to be a list of the names of the different large steamship companies doing business on the Atlantic?

A. Yes.

Q. Is that what it is?

A. That is right.

Q. And these agents of the Allan Line, the American Line, the Anchor Line, the Canadian Pacific Line, the Dominion Line, the Finnish Steamship Company, the Scandinavian-American Line, and the White Star Line are the agents whose names were given you by Mr. Cohen as being the agents of this North Atlantic Company?

A. Yes.

Q. Am I right in inferring from this list and from what you have just stated that they make the agents of these different steamship companies their agents?

A. They work in the interests of the North Atlantic Trading Company, I understand.

Q. What is the extent of their interest?

A. Do you mean in regard to bonus?

Q. Yes.

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A. I understand that the company give their sub-agents 20 per cent of the bonus allowed by the government ?

Q. 20 per cent of the bonus allowed by the government is their remuneration to their sub-agents ?

A. That is what I understand, yes.

Q. You understand that from what he told you ?

A. And from the payments which they have made to some of their agents.

Q. Payments ?

A. Yes.

Q. Therefore when you say in your report that they had established sub-agencies in the different countries, you mean that from what information you have, they have arranged with the steamship agents to give them 20 per cent of the bonus to act in the interest of the North Atlantic Trading Company in the booking and despatch of passengers ?

A. I think that was the arrangement.

Q. Have they a written agreement with the steamship agents who are at the same time their own agents, or how did they make that arrangement as to the 20 per cent ?

A. I could not say.

Q. Do you personally know any one of these gentlemen mentioned in this list, exhibit No. 3 ?

A. No, I do not.

Q. You say in your report at page 2: 'The company has a well-established system which enables them to follow out their propaganda in a business-like manner. They have agencies at Hamburg, Rotterdam, London, Libau, Odessa, Obo, Christiania, Stockholm, Copenhagen, Gothenburg and Amsterdam. These are the principal agencies, and there are many sub-agencies attached to each.' What knowledge of that did you acquire in your visit to Amsterdam ?

A. In conversation with the manager and secretary of the company.

Q. Who are these gentlemen in these different cities that I have just enumerated ?

A. I do not know whether I am at liberty to disclose their names.

Q. Do you know their names ?

A. I do, sir.

Q. What makes you say that you do not know whether you are at liberty to disclose their names ?

A. Because I suppose the committee is aware that the laws in those countries are so stringent that in conducting their emigration propaganda they are obliged to keep the agents names secret; it would not do to state that they were openly conducting an emigration propaganda to Canada. Some of these gentlemen are the largest steamship agents in Europe and are acting as agents for the North Atlantic Trading Company.

Q. The position then, as I understand you, is this: you got from Mr. Cohen, or from officials of the company, the names of these gentlemen just referred to at page 2 in your report, you know them and you question whether you can give us those names on account of the stringency of the laws. Is that the position you take ?

A. That is really the position of the matter. I know who they are and I would not like to disclose their names. I have seen the correspondence conducted between the office at Amsterdam and these firms.

Q. Are you aware that there is a clause in the contract which specially provides that in this propaganda they are not to violate the laws of any of the countries where they are operating ?

A. Yes.

Q. Then why do you object to giving the committee those names since it was specially provided that they are not to violate the laws however stringent they may be ? Do you say that they violate those laws ?

A. To be conducting an emigration propaganda in some of these countries leaves them open to severe punishment. I think there is no option of a fine—there is a very

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heavy fine and imprisonment and therefore I have to protect them. I should not divulge their names.

Q. Are they themselves interested in this North Atlantic Trading Company as shareholders ?

A. That I could not say.

Q. You never made any inquiry or were given any information as to who in reality the North Atlantic Trading Company is ?

A. No, sir.

Q. Were you furnished with a list of these gentlemen at Hamburg, Rotterdam, London, Libau, Odessa, Obo, Christiania, Stockholm, Copenhagen, Gothenburg and Amsterdam ?

A. I know pretty well who they are, all of them, sir.

MR. MONK.—Mr. Chairman, it seems to me that we are up against a difficulty of a somewhat similar nature to that which we encountered last year. The position, as I understand it, is that we have sent over an accountant to look fully into the accounts of the North Atlantic Trading Company, specially commissioned for that purpose. We have here now that public servant, the accountant who has made that inquiry. He is questioned as to his report. He mentions the places where we have—practically it is ours—where Canada has sub-agents conducting a propaganda in certain countries on the continent of Europe. As a result of his trip to Europe and to Amsterdam he knows the names of these gentlemen but he refuses to divulge them to the committee. It seems to me this is a matter upon which we are entitled to full knowledge. I can understand the objection of the witness. The names were probably given to him under the promise that he would not divulge them, unless compelled to do so, and I think the witness should be ordered to answer the question.

Argument followed and Mr. Monk asked for the chairman's ruling.

THE WITNESS.—Mr. Chairman, may I be allowed to speak ?

THE CHAIRMAN.—I think so.

MR. MONK.—Not before you, Mr. Chairman, have decided the point.

THE CHAIRMAN.—Looking at the whole case as it has been presented to me I cannot see that it would be in the interest, or to the credit of this country, that this witness should be compelled to divulge the names of these gentlemen that are operating in Europe. That is my decision.

MR. MONK.—I have the greatest respect for your ruling but I have another recourse. I am inclined to exercise what recourse I have at my disposal and I respectfully appeal from your decision.

THE CHAIRMAN.—Shall the decision of the chair be sustained ?

On a division the chairman's ruling was sustained by a vote of 18 yeas to 10 nays.

By Mr. Monk :

Q. I continue quoting from your report at page 2. Referring to the agencies I have just mentioned you say: 'These are the principal agencies, and there are many sub-agencies attached to each.' Do you know these sub-agents as well as the main agents ?

A. I stated that simply from the result of a conversation with Mr. Cohen and after, as I say, examining the correspondence. I assured myself that they had sub-agencies at each of the large towns.

Q. Then you remember all these sub-agents ?

A. No, I do not.

Q. But if you saw the correspondence ?

A. Yes, but I took no note of it at the time.

Q. You took no note ?

A. No, sir.

Q. I find these words in your report: 'Special agents are doing work in Scandinavia, Germany and other countries—quite a number of clergymen are assisting in the propaganda.' Who are these special agents referred to in this report ?

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A. Those names are to be kept secret as well. I know the names of some of the clergymen who are working in Germany.

Q. Does that simply apply to the clergymen?

A. There are a great many letters that have been published—I forget now whether the signature of the clergymen was attached to the letter—bearing testimony to Canada as a field for emigration.

Q. Do I understand that you promised Mr. Cohen that you would not divulge the names of these special agents and of these clergymen?

A. Yes, I did.

Q. You made him that promise?

A. I did, sir.

Q. Did you feel that you had authority to make such a promise as that?

A. Yes. I had to consider the nature of the contract and that they had to conduct their propaganda in secrecy.

Q. Had you instructions to that effect from the department?

A. No, but from my own ideas in connection with the matter I thought that was the proper way to treat it.

Q. You did not think the matter sufficiently important before making that promise, under the special circumstances, to communicate with the department for instructions?

By Mr. Crawford :

Q. Do you think you would have secured the information you got if you had not made the promise?

A. Mr. Chairman and Gentlemen, I do not see that any of this information has anything to do whatever with the mission on which I was sent to Amsterdam. As I said before I was asked to audit the accounts which had been presented to the department to show that the North Atlantic Trading Company had carried out their part of the contract in respect to certain expenditures. I did that as faithfully as I possibly could. Beyond that I would respectfully state that I think the committee should not question me any further in regard to those accounts.

By Mr. Monk :

Q. That is your voluntary statement, is it?

A. It is my voluntary statement, yes.

Q. But does it not occur to you, Mr. Beddoe, that if these accounts involve payments made to these gentlemen and to these special agents and to these clergymen, this committee is entitled to know who these parties were to whom the payments were to be made?

Argument followed.

The WITNESS.—Excuse me, the names will appear in the accounts which you have asked to be produced.

By Mr. Monk :

Q. These names will appear?

A. The names of those to whom payments have been made—every payment. The vouchers will be produced. You have ordered that they be produced.

By Mr. Wilson (Lennox and Addington):

Q. The original vouchers?

A. The original vouchers, yes.

By Mr. Monk :

Q. Then, Mr. Beddoe, I understand you are going to produce documents that will give us all these names?

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A. The names of those to whom payments have been made. That is what I understand you are speaking about.

Q. I am speaking of the agents, special agents, clergymen and others benefited by this contract?

A. That is a different matter altogether.

Further argument followed.

The WITNESS.—What names am I asked for Mr. Monk?

Q. The names that I asked you for are the names of the special agents in Hamburg and the other cities enumerated in your report and of a number of clergymen who are assisting in the propaganda.

Mr. ROSS (Yale-Cariboo).—Is it fair to ask that information which parliament has already decided should not be given out?

Mr. MONK.—The names of the parties who compose the company, not these names, was what parliament decided should not be given out.

Argument followed.

By Mr. Carvell:

Q. Did you intend to give the impression to this committee that you learned while in Amsterdam the names, we will say of general agents to whom money was paid in Rotterdam?

A. Yes.

Q. You learned that?

A. Yes.

Q. Would you have that same information in Ottawa.

A. Yes, in the accounts.

Q. Then you learned nothing in Amsterdam, so far as the payment of money is concerned, that you will not find in the accounts at Ottawa?

A. No.

Q. And as I understand it, you are willing to produce all the accounts you have in Ottawa?

A. Certainly, the committee has ordered them.

Q. Now did you learn the names of any general agents in any of these cities mentioned by my learned friend to whom money was paid other than the names you already have in the department?

A. Yes.

Q. You did learn the names of some of them?

A. Yes.

Q. In London?

A. They were clergymen principally.

Q. Would they be general agents of the company?

A. Well, travelling agents.

Q. And you learned that in Amsterdam?

A. Yes.

Q. Has the department paid any money to these people?

A. Only through the agents of the North Atlantic Trading Company?

Q. Directly, I mean?

A. No.

Q. The parliament of Canada has not paid any money to these clergymen?

A. No.

Q. These clergymen whose names you refuse to divulge?

A. Yes.

Q. That is some additional information which you received in Amsterdam which you did not have in Ottawa?

A. That is right.

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Q. And you received this information from the company under the pledge of secrecy ?

A. Yes.

Q. And therefore you refuse to divulge the names, is that it ?

A. I saw in some accounts, amount paid to Rev. J. B. 'Well,' I said, 'I think I should go further than that. I should know who this man is.' They showed me the correspondence and the book entries and everything connected with it and showed me the name, but it was in strict secrecy. If it was known in Germany that these clergymen were travelling around in the interest of emigration to Canada, why they would be probably injured notwithstanding their cloth.

Q. And it is on account of receiving this information under the pledge of secrecy that you now refuse to divulge their names ?

A. Yes.

Q. And you got this information in making your audit ?

A. I did, yes.

By Mr. Hughes (Victoria and Haliburton):

Q. Was there much money paid to these men ?

A. Not very much. There was one clergyman getting £7 10s. a month, I think it was.

Q. For how long ?

A. Well, they were working for some years. It would be \$400 a year altogether.

By Mr. Wilson (Lennox and Addington):

Q. And his expenses ?

A. No, sir,

Q. Has he to pay his own expenses ?

A. He has to pay his own expenses out of that.

By Mr. Ross (Yale-Cariboo):

Q. Would that be bonus or salary ? Was the North Atlantic Trading Company paying their agents on the same principle as the Dominion were paying the company, that is, a bonus, or was it a regular salary ?

A. This was for working up the emigration business.

Q. He did not get so much per head ?

A. No, it was just an advance for propaganda work.

By Mr. Miller :

Q. Were those ministers principally in Germany ?

A. Yes.

Q. In Germany there is a state supported, a state church ?

A. Yes.

Q. And these ministers belong to the state church ?

A. I could not say that, I do not recollect that. Anyway they were clergymen.

By Mr. Monk :

Q. They were clergymen of what denomination ?

A. I could not say that, Mr. Monk.

Q. Do I understand, Mr. Beddoe, from the answer you have just given Mr. Carvell that the names of the company's agent at Hamburg, Rotterdam and the other cities mentioned in your report which you have just refused to give the committee are nevertheless to be found in the audit you made ?

A. There seems to have been some misunderstanding. I thought you wished me to divulge the names of these regular agents of the company.

Q. The agents mentioned in your report at page 2 where you say the company

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has agencies at Hamburg, Rotterdam and eight or ten other cities. I asked you for the names and you told me that you could not divulge them. Is it a fact that they are among the documents which you have and are going to produce ?

A. It will be shown in the accounts to be produced that these people have been working for the North Atlantic Trading Company.

Q. Are those names there too ?

A. Yes.

Q. There is therefore no reason for your refusing to give them, you will give them to us at the next meeting ?

A. They can be found in the accounts.

By Mr. Hughes (Victoria and Haliburton):

Q. I understand Mr. Beddoe has not pledged himself not to give the names of the ordinary agents of the company at Amsterdam but to keep the names of the clergymen secret ?

A. Yes, that is it. No, excuse me, the names of the clergymen will not be divulged in the accounts produced.

By Mr. Monk :

Q. Will the other names be divulged ?

A. Yes, sir.

Q. Therefore when you produce the accounts we will know the names of the agents of the North Atlantic Trading Company at Hamburg, Rotterdam, and the other cities mentioned ?

A. Yes.

Q. We will know those names, you will point them out to us ?

A. They will be there.

Q. You will show them to us at the next meeting ?

A. They will be in the accounts, yes.

Q. And will we find also in the accounts you are going to produce the names of the special agents attached to each ?

A. No, those will not be there.

Q. And are you able to give us the names of these special agents ?

A. I am not.

Q. You are not willing to do so ? You are not able to do so ?

A. Not the names of the special agents.

By Mr. Hughes (Victoria and Haliburton):

Q. Did you visit any other place ?

A. I only went to Amsterdam.

Q. You saw one man ?

A. I saw three there connected with the company.

Q. And a lot of letters ?

A. There was a great deal of correspondence.

Q. More than three men would write or frame ?

A. It is correspondence received, on file.

By Mr. Ross (Yale-Cariboo):

Q. You have stated that as far as those agents are concerned you cannot divulge the names to this committee. You have also stated, as I understand it, that you are going to produce the accounts on the order of the committee. If members of the committee find out the names in the accounts, that is not your fault. You are in honour bound not to divulge the names. Is that what we are to understand ?

A. That is the way it stands.

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By Mr. Hughes (Victoria and Haliburton):

Q. What names are you in honour bound not to divulge ?

A. The regular agents of the company.

By Mr. Monk :

Q. And yet you are going to produce the documents that will contain the names ?

A. Yes.

By Mr. Hughes (Victoria and Haliburton):

Q. Had you authority from the government or the minister when he sent you to go over to Amsterdam and make any secret compact with any such outfit as the North Atlantic Trading Company ?

A. No.

Q. Then why did you make any secret arrangements ?

A. Well, simply because I read the evidence before the committee last year and the debates in parliament.

Q. What authority had you to enter into a secret compact—you are a servant of the Dominion government—what authority had you to go over and make a secret deal with this crew in Amsterdam ?

Mr. CARVELL.—I think that is a severe question.

Q. Why did you enter into a secret arrangement with this——

A. I could not have got any information out of them——

Q. Why did you not come home and report ?

A. All the information that was given to me there was given in the strictest secrecy. That was an understood thing before I went into the books and everything.

By Mr. Monk :

Q. Understood with whom ?

A. With Mr. Cohen, the secretary.

Q. That everything would be strictly secret ?

A. Yes, that was what he said.

By Mr. Wilson (Lennox and Addington):

Q. Could you give us the accounts so that we would have them before the next meeting ? I mean to-day, for instance, send them up to be in charge of the committee so that any member that chooses to look at them could have the opportunity ?

A. Yes.

Q. You will do that will you ?

A. Certainly. I wished to send them up this morning.

By Mr. Monk :

Q. You have other documents bearing on this inquiry ?

A. Nothing for the committee.

Q. Did you examine into the standing of these people, you were sent to investigate ?

A. No, sir.

Q. You made no inquiries as to what their business might be ?

A. I knew from the parliamentary discussion last session.

Q. Are they still managing the North Atlantic Trading Company in Amsterdam ?

A. The same people, yes.

By Mr. Ross (Yale-Cariboo):

Q. From what you saw of the agents of the North Atlantic Trading Company were they businessmen of good standing in different countries ?

A. Were they of good standing ?

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Q. Were they businessmen of good standing ? the agents of the North Atlantic Trading Company ?

A. Yes, first-class, the very best.

By Mr. Hughes (Victoria and Haliburton):

Q. Did you see them ?

A. No, I did not. But take Gothenburg, for instance, they have an immense building and are carrying on a large business there.

Q. How do you know this ?

A. I have seen a photograph of the building.

Q. Did you see a photograph of the men ?

A. No, I did not.

By Mr. Ross (Yale-Cariboo):

Q. You assume from the correspondence that you saw that the booking agents of the North Atlantic Trading Company were businessmen of good standing in their respective communities ?

A. Yes.

By Mr. Monk:

Q. How do you know that ? It is not because you have seen a photograph of a big building that you can surely establish a standing of anybody. We are all in big buildings here. Would the building you saw be solely for the North Atlantic Trading Company's work ?

A. One building is on the Spruits Straat. It is larger than the one at Damrach street and in that they keep all their samples of literature for distribution.

By Mr. Monk:

Q. How do you know that ?

A. I have been there.

Q. How do you know it belongs to them ?

A. That the office belongs to them ?

Q. Yes ?

A. The receipts for the rent were shown in the accounts produced.

By Mr. Hughes (Victoria and Haliburton):

Q. Is it occupied for any other purposes ?

A. For no other purpose. There are maps of Canada on the walls and racks with different kinds of literature, and they have their shipments of books from there.

Q. Did these people know you were going to visit them ?

A. Yes.

By Mr. Wilson (Lennox and Addington):

Q. As to your knowledge of these agents and their standing in the various places mentioned, so far as you have said, you only knew it by hearsay ?

A. That is all.

Q. Only hearsay, that is not very good evidence, is it ?

A. It is satisfactory to me.

By Mr. Hughes (Victoria and Haliburton):

Q. Were these agents in Gothenburg and the other cities mentioned sending emigrants to any other country than Canada ? Had you any knowledge on the subject ?

A. I have no knowledge on the subject.

Q. Do you know whether they sent emigrants to South America or Australia ?

A. I do not know, but it is a generally understood thing that they can control the

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whole emigration from the continent of Europe. Just by one little move of the switch-board they can send it to the South American Republics or to the United States.

By Mr. Monk :

Q. Who can do that ?

A. These large shipping agents on the continent.

By Mr. Hughes (Victoria and Haliburton):

Q. Do you know how many emigrants were sent to the United States last year, for instance ?

A. I have not the figures here.

Q. How many hundred times more to the United States than to Canada ?

A. You mean the shipping agents ? I do not know.

By Mr. Miller :

Q. What position do you occupy in the Department of the Interior ?

A. Accountant.

Q. How long have you been in the department ?

A. Twenty-five years.

Q. When were you appointed ?

A. In 1883.

Q. Col. Hughes under the old Tory government, is that correct ?

A. Yes, that is right.

By Mr. Monk :

Q. Mr. Beddoe, I find in your report that you say: 'Owing to the stringent laws on the continent in regard to emigration a system has been adopted by the company which minimizes danger to the promoters in this respect,'

A. Yes.

Q. What is that system ?

A. For instance, the German emigration is not conducted in Germany. It is done altogether from London, England.

Q. The sending out of literature ?

A. The sending out of literature.

Q. That is done from London ?

A. That is done from London.

Q. How do you know that ? Have you had occasion to find it out ?

A. I know it is the fact.

Q. All literature, as a matter of fact, is issued from London, is it not ?

A. Not all the literature, no.

Q. The North Atlantic Trading Company's literature ?

A. Do you mean printed in London ?

Q. Yes.

A. No.

Q. Is it issued from London ?

A. Do you mean distributed or issued or printed ?

Q. Printed.

A. Most of it is printed in Hamburg, but a great deal of it is printed in London. I went to see a firm to verify the printing of this literature. I thought perhaps the question might be asked later on: 'How did you find out that this immense quantity of literature was printed,' so I took it upon myself to go to the firm who printed it. On the literature itself the name of the printer does not appear. Of course everything is kept secret. It would not do to be distributing this literature in Germany.

Q. So it is printed in London ? Who prints it ?

A. I went to the firm that prints it and told them exactly what I wanted—that I

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wanted to verify the printing of this literature. I had samples with me and I said: 'Did you print that'? The manager said: 'Yes, we will show you the books if you like.'

Q. Whose firm is that?

A. Hickson, Ward & Co.

By Mr. Carvell:

Q. And did you verify these accounts by the books?

A. No, I did not, but I saw the manager. I had the accounts with me and I went over those with him. He said: 'You can see the books if you like.' I said: 'It is not necessary.' It is a very large printing establishment, and I thought it would be an insult to doubt him, so I took his word frankly.

By Mr. Ross (Yale-Cariboo):

Q. Printers keep copies of their orders. You did not check those orders up with the accounts you had?

A. No.

By Mr. Miller:

Q. You say that in London you took the opportunity of arranging all the accounts?

A. Yes.

Q. Of the North Atlantic Trading Company and getting them systematically arranged?

A. Yes.

Q. You had those accounts so arranged and went to Amsterdam?

A. Yes.

Q. You told us you had no difficulty in finding the head office in Amsterdam of the North Atlantic Trading Company?

A. There was no difficulty.

Q. That their principal office is one flat of a good and well located building on the main street in the city?

A. Yes.

By Mr. Hughes (Victoria and Haliburton):

Q. The main street?

A. The main street.

By Mr. Wilson (Lennox and Addington):

Q. Two rooms cover a whole flat and if they did what size are the rooms?

A. I forget whether there was any other office at the back of that.

Q. You can give us a description of the size of the rooms I presume? We want to get a description of the flat?

A. They would be 16 feet square.

Q. Each of them?

A. No, one is a little smaller than the other.

By Mr. Monk:

Q. What rent do they pay?

A. 400 gulden.

By Mr. Ross (Yale-Cariboo):

Q. What is a gulden?

A. About 40 cents.

Q. \$160 a year?

A. Yes, I think that is about the ~~rent they are charged in Amsterdam~~

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By Mr. Miller :

Q. You found there three officers, each of whom could speak four or five different languages ?

A. Yes.

Q. To Mr. Monk you said you only spoke English. Did you know from any other ground than was submitted to you that they could speak four or five different languages ? Did you see them going through the books and correspondence in a way that would convince you they had an acquaintance with four or five different languages ?

A. All of them ? Mr. Cohen did because in verifying some of these statements I asked to look at the correspondence. I had the accounts before me and he would show me the letter acknowledging the receipt and money that was sent in payment of the account. It might be in Dutch, it might be in German—I would not understand it, but the figures would be there and he would interpret it, and I had sufficient sense to know he would interpret right because the figures fitted in and everything in that way.

Q. You have spoken of the rent of the office as being \$160 a year. I suppose the purchasing value of \$160 is a good deal more than the same amount of money here ?

A. Rents are very cheap in Amsterdam.

Q. You have said they have another large office at the station at Amsterdam larger than the one you have described ?

A. A larger one.

By Mr. Wilson (Lennox and Addington):

Q. How much larger ?

A. Not very much but still a little larger.

By Mr. Monk :

Q. What do they pay for that second office ?

A. It is in the accounts. I forget.

By Mr. Miller :

Q. On page 2 of your report you state that the company have agencies at Hamburg and other places ? In reply to a question by Mr. Monk you said that you have the knowledge that they have these agencies because of the statement of Mr. Cohen ?

A. The statement and the correspondence.

Q. The correspondence would verify his statements ?

A. Yes.

Q. And you thoroughly examined that correspondence ?

A. I will not say thoroughly, but I saw sufficient to convince me.

By Mr. Monk :

Q. I was asking you, Mr. Beddoe, as to the stringent laws. They have adopted a system to evade the laws and I was asking what that system was and you did not answer ?

A. The laws you mean ?

Q. You say in your report that they have adopted a system—the company has adopted a system—which minimizes the danger to the promoter. What is that system ?

A. The system as to conducting a propaganda ?

Q. In one country from another ?

A. From another country ?

Q. I see that in your report you say: 'The German, Swiss and Luxemburg propaganda is worked through an agency in another country' ?

A. That is in England.

Q. 'The Austrian business is managed at a point in Germany,' and so on. Who is the gentleman in England who makes reports ?

A. Mr. Leopold.

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Q. Mr. Leopold is the agent of the North Atlantic Trading Company in England?

A. Yes.

Q. To conduct the German, Swiss and Luxemburg propaganda?

A. Yes.

By Mr. Ross (Yale-Cariboo):

Q. Was or is?

A. Was. I do not know whether he is now.

By Mr. Monk:

Q. How did you ascertain that, did you meet him?

A. I went to his office on the Monday after I arrived in London but he had left for Canada that day.

Q. Did you go to his office on this business?

A. I did.

Q. How was that? Had you received instructions to go to him?

A. No.

Q. What made you think Mr. Leopold was the man?

A. Because I saw by the evidence given last session that he was the agent of the company. Mr. Preston stated that.

Q. The agent of the company in England?

A. Yes, that was stated in the evidence last session.

Q. Then the German, Swiss and Luxemburg propaganda is in the hands of Mr. Leopold, you say?

A. Yes.

Q. How did you make sure of that? Do you know personally?

A. By an examination of his books and papers and accounts and the printing of literature and the verification for payments of the printing of the literature and for advertising.

Q. Did you make that verification in regard to the printing in Mr. Leopold's office?

A. I had the accounts before me and I went to the printing office with these accounts and with samples of the literature. There was a German pamphlet. He had 150,000 copies of a German pamphlet printed one year, 50,000 another year, and I think 50,000 the next year.

Q. All at this printing office?

A. All at this printing office of Hickson, Ward & Co.

Q. All through Leopold?

A. All through Leopold.

Q. This verification you made at Leopold's office was after you had returned from Amsterdam?

A. Before.

Q. Before?

A. I went to Mr. Leopold's office and found he had gone to Canada the very day I reached there.

Q. But I understood from you that when you first came to England you saw nobody and merely put your accounts in order?

A. Well, I did not see any one, Mr. Leopold had gone.

Q. But you went and made an audit while you were in London at Mr. Leopold's office?

A. No, I did not.

Q. What did you audit, you say you verified everything?

A. I did not audit anything in Mr. Leopold's office. Mr. Cohen told me: 'When Leopold goes away all his books and papers are boxed up and sent to my office.'

Q. It was not in London at Mr. Leopold's office that you verified those accounts?

A. No.

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Q. It was in Amsterdam where you saw the papers that had all been sent boxed up to Mr. Cohen ?

A. Yes, and on my return to London I visited this printing establishment.

Q. Not Leopold's office ?

A. I did not go back there at all.

By Mr. Hughes (Victoria and Haliburton):

Q. Did this one establishment do all the printing ?

A. Yes, and Street & Co. did the advertising in Scandinavia, and all these other countries.

By Mr. Monk :

Q. You say this printing at the London house you have just mentioned was paid for. Who furnished the cash ?

A. The accounts were rendered to Mr. Cohen by Mr. Leopold. He made the payments and then Mr. Leopold paid the printing and advertising firms. It was not in Leopold's name but in the name of the Farmer's Auxiliary Association.

Q. That the accounts were made ?

A. Yes.

Q. Why were they not made in the name of the company since the printing was being done for the North Atlantic Trading Company ? As a matter of fact it was done in the name of the Farmers' Auxiliary Association ?

A. Yes.

Q. That the accounts were rendered to Mr. Leopold ?

A. Yes.

Q. And by him sent to Cohen ?

A. Yes.

Q. And who ultimately paid them.

A. Mr. Cohen would send the remittance to Mr. Leopold and he would make payment of the accounts. The accounts are all receipted and they will be furnished to the committee.

Q. Let me understand you. Was there a cheque issued by Cohen to Leopold for the payment of these accounts ?

A. The North Atlantic Trading Company.

Q. A cheque was issued by the North Atlantic Trading Company ?

A. Yes.

Q. To Leopold ?

A. Yes.

Q. Have you seen any of these cheques ?

A. No, I have not.

Q. You did not procure those cheques ?

A. I did not.

Q. When you were auditing the accounts did you see them or ask for them ?

A. I did not even ask for them.

Q. All that you know is that the printing was done in London, the invoices were made out to Leopold, sent by Leopold to Cohen and payment made by the North Atlantic Trading Company ?

A. That is the way I understand it exactly.

By Mr. Hughes (Victoria and Haliburton):

Q. Did you come across the Arundel Printing Company ?

A. No, that was not within the scope of my inquiry, sir.

Q. Why not ?

A. Because I was sent over to examine and audit the expenditure of \$15,000 called for by the contract.

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By Mr. Monk .

Q. Did you see Leopold at all when you were over there ?

A. No, I did not. He had gone to Canada the day I reached London.

Q. He was the agent of the company and he left for Canada the day you reached London ?

A. Yes.

Q. He did not know——

A. He did not know that I was coming; I heard that since.

Q. You have not seen him since you began these operations at all ?

A. Not since I began them.

Q. You have never seen Leopold at all ? Do you know him ?

A. I have met him.

Q. Where and when ?

A. In Ottawa.

By Mr. Ross (Yale-Cariboo):

Q. After you came back ?

A. After I came back.

Q. You do not think he left London that day because you were coming ?

A. No, sir.

By Mr. Hughes (Victoria and Haliburton):

Q. Did he explain to you why he sent his books and papers over to Amsterdam ?

A. Yes, it was exactly the reason I stated, that when he was absent for any length of time he would always send everything to the head office.

Q. For fear they would be impounded in England ?

A. No, I do not know that.

Q. You spoke of the rent of buildings a little time ago, of their having two buildings there. Did you ask Mr. Cohen to explain—I read it in the evidence last year—that when letters were sent to the company they would be forwarded back to London and replied to from there ?

A. No.

Q. That appeared in the evidence last year ?

A. I do not remember.

By Mr. Monk :

Q. Did it not appear to you as calling for investigation that the printing done in London under the name of the Farmers' Auxiliary Association should be invoiced to Leopold, the accounts sent from Leopold to Cohen and finally paid by the North Atlantic Trading Company ? Did not that invite you, so to speak, to investigate the matter ?

A. I did closely investigate it to see that the money had been paid out properly and found that it had been so.

Q. How did you proceed to make sure that the money came literally and finally from the North Atlantic Trading Company ? There must have been cheques. Do you say you have not seen them ?

A. It does not matter to me where it came from. The money was paid and it was in the interest of the North Atlantic Trading Company.

Q. How do you even know that ? How do you know it came from the North Atlantic Trading Company ?

A. Where the money came from ?

Q. Yes. It seems to me that if you had the papers or vouchers to establish that it would be more satisfactory ?

A. Because in the books I examined, there was an entry charging money as paid out to the Farmers' Auxiliary Association.

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By Mr. Ross (Yale-Cariboo):

Q. How did they pay the money ?

A. By cheque and by cash sometimes.

Q. Did they have their stubs there for their cheques ?

A. I did not examine the cheques at all.

Q. You did not examine the cheque book and you did not see the cheques ?

A. No.

Q. You say the accounts were receipted and paid for ?

A. Yes.

By Mr. Monk :

Q. You have all these accounts, you brought them back ?

A. Every one.

By Mr. Hughes (Victoria and Haliburton):

Q. You spoke of the printing being done by Hickson & Co. What was the amount of their account ?

A. I think it amounted to £160 in one year—about \$1,000—probably more than that.

By Mr. Monk :

Q. At page 5 of your report where there is a question of printing you mentioned hundreds of thousands of pamphlets as having been printed in 1903-4, 1904-5, 1905-6. Were they all printed in the same way in London by that firm ?

A. No.

Q. Are you able to easily distinguish between what was printed in London and what was printed elsewhere ?

A. Yes.

Q. You will be able to do that for us at the next meeting ?

A. Yes.

Q. And show us where all these things were printed ?

A. Yes.

Q. Take, for instance, 335,000 copies of a pamphlet on Canada in 17 different languages. Where was that printed ?

A. What year is that ?

Q. 1903-4, 335,000 copies ?

A. I think if my memory serves me that was printed in Vienna.

Q. In 17 different languages that was printed in Vienna ?

A. Yes.

Q. Do you know the name of the printer ?

A. It was a company called Monats-Kalendar.

Q. You know that anyway ?

A. Yes, there are full details and receipted vouchers, and I might say to the committee in connection with the distribution of this literature that I examined the books which they kept for that purpose, several books. They have kept strict account of all the literature—where it was distributed, the date, the name of the consignee and the quantity.

Q. Well this pamphlet on Canada was distributed from where ?

A. From Amsterdam principally ?

Q. None of it was sent from London ?

A. None. That is not the German pamphlet on Canada, is it, sir ?

Q. It is the first item I see in reference to printing, 335,000 copies of the pamphlet 'Canada,' in 17 different languages ?

A. No, that was not sent from London, none of that.

Q. In reference to what you have just said a very few moments ago. You say in

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your report the Austrian business is managed at a point in Germany. Who is the man in Germany who manages the Austrian business? Do you know that?

A. Yes, I know the name.

Q. Does that name appear in any of the accounts you have with you?

A. Yes.

Q. If it appears in the accounts you have with you and which you are going to produce have you any objection to giving the committee that name now?

A. The committee can see it in the accounts.

Q. You say the committee can see that name in the accounts?

A. Yes.

Q. I understand you to say that you know that name but you are reluctant to state it because you promised secrecy and it is to be found in the accounts which you will produce at the next meeting?

A. Yes.

Q. The name of that agent who from Germany conducts the Austrian business, is that it?

A. The names of all the German agents to whom payments have been made will be shown in the accounts.

By Mr. Miller :

Q. This one included?

A. This one included.

By Mr. Hughes (Victoria and Haliburton):

Q. And no others?

A. No others.

By Mr. Monk:

Q. That is the Austrian agent who operates from Germany?

A. Yes.

Q. And that name we will see at the next meeting of the committee?

A. All the names.

By Mr. Miller :

Q. I would like you to say whether or not from the general appearance of the offices which you saw in Amsterdam—the office on the main street and the other office near the station—whether they had the appearance of being offices in which a live energetic business was being conducted.

A. I could state there was a large safe there.

Q. Just answer the question directly?

A. There was a large safe there, files for correspondence, regular office furniture and a typewriter. There was every evidence that it was a well-equipped office.

Q. There was?

A. Yes.

By Mr. Monk :

Q. Were you there every day for a week?

A. Except Sunday.

By Mr. Wilson (Lennox and Addington):

Q. How many people were operating in the office?

A. Three.

Q. Just three—one typewriter and two clerks?

A. No, there was the manager, secretary and his assistant.

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By Mr. Miller :

Q. You examined the documents and the correspondence in the office.

A. I did.

Q. And you also examined the books and vouchers, a large quantity ?

A. I did.

Q. Now, I want to know whether or not, in all the correspondence, vouchers and books you examined you saw anything that caused you to believe or to give you any suspicion that any person or resident of Canada, any person residing in Great Britain or any person in any way connected with the Canadian House of Commons or government has anything to do with the North Atlantic Trading Company or receives any part or portion of the moneys paid by the Dominion to the North Atlantic Trading Company ?

A. I saw nothing of the kind.

Q. Nothing to lead you to suspect ?

A. Nothing to lead me to suspect that any member of the government or officer of the government had ever received a cent of money as profit from the North Atlantic Trading Company.

By Mr. Hughes (Victoria and Haliburton) :

Q. Did you examine into the distribution of the profits of the North Atlantic Trading Company ?

A. I did not.

By Mr. Monk :

Q. Then how can you make such an answer ? How can you say you saw nothing that led you to believe the profits were distributed in the way indicated by Mr. Miller when you said you saw nothing of the distribution ?

A. I did not say anything about a distribution.

By Mr. Hughes (Victoria and Haliburton) :

Q. Did you make any inquiry as to how this office had been conducted, say six weeks before they received notice of your going over or two days after you left ?

A. No, I did not.

Q. Did you make any inquiries about that ?

A. I did not.

Q. Do you know how long they had these two offices ?

A. The accounts will show.

Q. Accounts are easily written you know. Do you know anything else, have you any further evidence to show these offices were used ? Did you not see it brought out in evidence last year that letters sent to the North Atlantic Trading Company turned up at London ?

A. That may have happened in this way : they do a lot of travelling, the manager, Mr. Gluck, and the secretary and also his assistant ?

Q. Would the typewriter go too ?

A. I do not think they have any typewriter ; I think they do their own type-writing between them. But the accounts will show that they travel in nearly all the countries in Europe.

Q. Have you any record to show how long they have had the office at the docks ?

A. They have not had the office at the docks as long as they have had the other one.

By Mr. Schell (Oxford) :

Q. At any time did you have any suspicion that the accounts were not absolutely correct or not.

A. No, I did not.

Mr. MONK.—Do you think the office is open to-day ?

A. You can send a cable and find out ; that is the only way in which it can be told.

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By Mr. Schell (Oxford):

Q. Every account seemed to be absolutely fair and just?

A. Yes, they had all the details.

By Mr. Lake:

Q. Did you understand the language in which the accounts were rendered?

A. I did not understand the language.

By Mr. Hughes (Victoria and Haliburton):

Q. Did you see cheques?

A. No cheques.

Having examined the preceding transcript of my evidence of March 13, 1907, I find it correct.

CHAS. H. BEDDOE,
Accountant of the Department of the Interior.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 34,

WEDNESDAY, March 20, 1907.

The Select Standing Committee on Agriculture and Colonization met here this day at 11 a.m., Mr. McKenzie, Chairman, presiding.

The examination of Mr. C. H. Beddoe resumed.

By Mr. Monk:

Q. Mr. Beddoe, I understand your position at the last meeting of the Committee to be as follows:—You were not willing to divulge the names of the agents of the North Atlantic Trading Company in the different cities of Europe but you stated that the papers that you had brought back from the Continent would reveal those names? Is that correct?

A. I think I stated that the accounts I brought back, and which would be produced to the committee, would contain the names of all parties to whom the North Atlantic Company have made payments. I think those were the words I used.

By Mr. Carvell:

Q. By the Department of Interior of Canada?

A. Payments made by the North Atlantic Trading Company.

A. You mean to say the names of all persons to whom the North Atlantic Company paid money as agents, or only the names of persons to whom money was paid directly by the Department of Interior?

A. None of the latter; it only contains the names of those to whom the North Atlantic Trading Company paid amounts.

By Mr. Wilson (Lennox and Addington):

Q. Do the papers not also contain amounts paid by the government to the North Atlantic Trading Company?

A. No.

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Q. You mean the amounts that the North Atlantic Trading Company paid to these people in order to earn the government bonus ?

A. Yes, to carry out that part of the contract which called for an expenditure of \$15,000. That is all I went over to the Continent to audit, and these accounts, which I now produce, are the accounts representing that expenditure.

By Mr. Carvell :

Q. You do not mean to say you have a record of the moneys paid by the North Atlantic Trading Company to different agencies in Europe ?

A. No, I have not.

By Mr. Monk :

Q. I refer once more to page 2 of your report in which you say : 'They have agencies at Hamburg, Rotterdam, London, Libau, Odessa, Obo, Christiania, Stockholm, Copenhagen, Gothenburg and Amsterdam. These are the principal agencies, and there are many sub-agencies attached to each.' I ask you now, with the papers which you have in support of this report, to give us the names of these agents ?

A. I cannot do that. All that I can do, sir, is to produce the accounts which give the names of those to whom payments have been made.

Q. Therefore you are not able to substantiate this assertion in your report by giving the names of the agents referred to ?

A. Did I say that I would give the names of the agents ?

Q. I understood from you that upon reference to your papers the names of these agents would appear ?

A. The names of all those to whom payments have been made of course will appear.

Q. To that extent therefore, you correct your statement ?

A. I would like to correct it to that extent, if the committee will allow me.

Mr. Ross (Yale-Cariboo).—I do not think that is fair to the witness. There is no correction to be made; the witnesses' statement is absolutely accurate.

By Mr. Monk :

Q. Are you in the position therefore, to give the names to-day of these agents and sub-agents, or do you say that they were given to you under such conditions that you cannot reveal them to the Committee.

A. I cannot reveal them to the Committee.

Q. You cannot reveal them to the Committee ?

A. If the committee will allow me I will read a portion of a letter which was received from the company as far back as 1905. It says : 'The business we are controlling ourselves, and through our friends, is of such a dangerous nature, that even a suspicion of our friends—that they might run any risks by giving vouchers, should the same not be treated in the most careful way, would induce them to prefer no more to work for us, rather than endanger themselves.'

This thing was gone through with the manager and the secretary of the Company and they asked me on no account to divulge or give out publicly, the names of those who had been working for them on the continent. Of course the accounts showing the expenditure, and the amounts paid to those who had been working for them are contained in the vouchers, but I hope the committee will relieve me from the responsibility of giving out their names publicly; that is all I ask.

Q. I suppose therefore, you did make that promise not to reveal those names ?

A. I did.

Q. Would the same observation apply to what is stated a little further down in your report, that is to say, 'The German, Swiss and Luxemburg propaganda is worked through an agency in another country : the Austrian business is managed at a point

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in Germany and so on. I mean you ascertained the names of these agents working from one country in the other, and you undertook not to make them known?

A. I did not in the case of the German, Luxemburg, and Switzerland work because that was conducted from London, England, and in the evidence before the Public Accounts Committee last session, I believe Mr. Preston gave out publicly that Mr. Leopold was the North Atlantic Trading Co.'s agent at London.

Q. Well then, you say now that this gentleman who was conducting from another country, the German, Swiss and Luxemburg propaganda was in reality Mr. Louis Leopold in London? Is that what you say?

A. That has been stated before in Public Accounts Committee.

Q. Is that what you say? Do you say that?

A. Yes, I say that.

Q. You obtained that information there?

A. I know that to be a fact.

Q. And as to the Austrian business that was managed at a point in Germany, what do you say?

A. I cannot give the names of those who are working for the company.

PRINTING BY, AND PAYMENTS THEREFOR, BY NORTH ATLANTIC TRADING COMPANY.

Q. Let me refer for a moment to the printing which you spoke of in the last instance, at the previous meeting of this committee. At page 5 of your report you mention the printing that was done in 1903-4. Will you please state to the committee, referring to your report, where that printing was done?

A. Yes. The copies of the pamphlet 'Canada' in 17 different languages, was printed in Vienna.

Q. By whom?

A. A printing firm called Der Monats Kalender. I think I gave that answer in my evidence previously.

Q. Who ordered that printing and paid for it?

A. It was all ordered through the Amsterdam agency of the North Atlantic Trading Company.

Q. Who paid for it?

A. The North Atlantic Trading Company.

Q. This voucher is partly in a foreign language but at the last page I see a voucher for £181 9s. 2d. sterling, receipted, 'London, 24th June, 1904,' by the Farmers' Auxiliary Association. Is that for the amounts contained in the other vouchers?

A. For how much is it?

Q. £18 9s. 2. sterling. Is that for all that is indicated in the German language and in the Austrian language?

A. Yes, it is for the German pamphlet; I have a copy of the pamphlet here.

Q. Is that the pamphlet 'Canada'?

A. 'Canada,' yes.

Q. Then, as I understand, the voucher which you have just filed from this Vienna printing firm was ultimately paid by the Farmers' Auxiliary Association? Is that correct?

A. No, those are all the accounts for the literature. The sterling and the marks are all put together in this bundle.

Q. In the account of 1903-4?

A. Yes. These receipts are for all the literature that was printed in 1903-4.

Q. For that literature which is detailed in your report?

A. Yes.

Q. Let me understand you. This is the Farmers' Auxiliary Association to whom this has been paid?

A. For the German pamphlet. That was paid to Hickson, Ward & Co., London, England, by the Farmers' Auxiliary Association.

APPENDIX No. 4

By Mr. Wilson (Lennox and Addington):

Q. What is the total ?

A. £181 9s. 2d. sterling. There is some other printing there.

Q. Is that the total ?

A. Yes. There is a payment for 335,000 pamphlets printed in 17 different languages by Der Monats Kalender. There was besides that 5,000 pamphlets printed in Dutch. That was printed in Antwerp and the receipt is there with the others.

Q. What I would like to get is the total amount that was paid for printing to these people under that head ? Have you given that for a particular year ?

A. It is for 1903-4. There was paid to Der Monats Kalender \$4,528.96. That was for printing 335,000 copies of a leaflet called 'Canada,' in 17 different languages, and the printing of 115,000 copies of what they call 'Canadakarten,' and items to cover freight and translation. Then there was paid besides that to Hickson, Ward & Co., of London, England, through the Farmers' Auxiliary Association, \$883.11 for printing 150,000 copies of a German pamphlet called 'Canada,' and also for 150,000 wrappers for mailing these pamphlets.

By Mr. Monk:

Q. There were 100,000 copies of a Swedish pamphlet in that year ?

A. That is a paper called 'Heddelande.' I have a copy of that paper here.

Q. Where was that printed ?

A. That was printed in Gothenburg. Here is a copy (producing paper). It is illustrated with half-tones.

Q. Do you know, as a matter of fact, that these payments for printing were made by the North Atlantic Trading Company ?

A. I verified them not only by the receipts produced but by the book entries and also by correspondence bearing on these subjects. I do not think that I could go further than that; in fact, I think I made as thorough an audit of the accounts that had been presented to the department, as could possibly be done.

Q. Now the printing for 1904-5, will you give us some information about that ?

A. The next year there were 300,500 copies of a pamphlet 'Canada' in, I think, 17 or 18 different languages, and 100,000 'Canadakartens.' There were 20,000 Swedish pamphlets, 5,000 Swedish circulars, 5,000 Norwegian circulars, a lot of show cards for windows, 50,000 German pamphlets called 'Canada,' and 5,000 'Letters from Clergymen.'

Q. Printed where ?

A. Printed in London, England, the 'Letters from Clergymen.'

Q. But the others ?

A. The 20,000 Swedish pamphlets were printed by Amquist & Company, at Gothenburg.

By Mr. Wilson (Lennox and Addington):

Q. Are the letters signed by the clergymen who wrote them ?

A. No, sir. The 300,500 pamphlets of 'Canada' in foreign languages were printed in Hamburg.

Q. You have the vouchers for those ?

A. Yes.

Q. Will you produce all the vouchers ?

A. Yes. (Vouchers produced.)

MR. MONK.—I think, Mr. Chairman, if the witness will, after the meeting of the committee, classify these vouchers and produce them, it will hasten his examination.

THE WITNESS.—It is a very difficult thing to do, no matter how well they are classified—it will take time to find them—but they are all here; I know that. This

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is the receipt from Hickson, Ward & Co. for the printing of the 50,000 German pamphlets. (Produces voucher.)

By Mr. Monk :

Q. Could you just state where the literature for 1904-5, referred to in your report at page 6, was printed ? Take the list of pamphlets on 'Canada,' in 16 languages, where were they printed ? I think you said in Gothenburg ?

A. No, Hamburg.

Q. The 250,000 covers ?

A. In Hamburg.

Q. The 100,000 'Canadakarten' ?

A. That was in Hamburg too.

Q. The 35,000 Scandinavian cards ?

A. That would be through Amquist & Co. This is the name of the printer and receipt. (Produces receipt.)

Q. Did you see the cheque ?

A. No. I did not.

Q. Did you see any of the cheques or drafts by which these accounts were paid to which you are now referring ?

A. No, I did not; I did not go beyond the books and correspondence. There was a large file in connection with the order for this printing; I remember distinctly a lot of correspondence referring to the printing.

Q. Let us take this voucher marked 'Literature for 1904-5. 50,000 German pamphlets, 'Canada,' 50,000 wrappers and application forms, 5,000 'Letters from Clergymen,' £113 19s. 6d. sterling' ?

A. Yes.

Q. Who made out that account ? There is no heading for it ?

A. I presume it was made out in the London office, Hickson, Ward & Company's voucher is attached to it with full details.

Q. But the voucher for Hickson, Ward & Company is for less than that ? It is for 50 odd pounds, I think, whereas the statement attached is for £113 19s. 6d. ?

A. I think I told the committee the last time that I had verified all these payments in Hickson, Ward & Company's office in London.

Q. But will you explain the documents you now have in your hands. There are three papers tied together—one is an account to Hickson, Ward & Company, another is in somebody's handwriting, without any heading, and the third is typewritten at the top. I do not understand that, can you explain it ?

A. It is a receipt from Hickson, Ward & Company.

Q. For how much ?

A. For £113 19s. 6d.

Q. Whose handwriting is this attached to the account of Hickson, Ward & Co. ?

A. It looks like Mr. Smart's.

Q. Mr. Smart's handwriting ? And from where did the statement on top of that, the typewritten statement, come or is it the same thing ?

A. It was attached to the accounts when they were received in the department.

Q. What is the date of the account ?

A. The payment was made June 27, 1905.

Q. I do not understand that document, Mr. Beddoe ? There is an account from Hickson, Ward & Company. Over that account is a statement which you say is in the handwriting of Mr. Smart, and over that is a typewritten statement ?

A. Yes.

Q. Do you say that account was paid by the North Atlantic Trading Company ?

A. I say that account was paid.

MR. JACKSON (Selkirk).—Would it not be advisable to have the statement read ?

THE WITNESS.—This is an account for £113 19s. 6d. for the printing of 50,000

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German papers called 'Canada,' 50,000 wrappers and application forms, and 5,000 'Letters from Clergymen.' The account was rendered by Hickson, Ward & Company, London, England, and paid June 27, 1905.

By Mr. Monk :

Q. To whom was the account rendered ?

A. The account would be rendered to the Farmers' Auxiliary Association, in London, England, through whom all this German printing was done; that is, they gave the order for it.

Q. By whom was that account paid ?

A. It was paid by the North Atlantic Trading Company. The cheque was sent from Amsterdam to the Farmers' Auxiliary Association, London, to enable them to pay the account of Hickson, Ward & Company, and they did pay it. I verified that payment in Hickson, Ward & Company's own office.

By Mr. Jackson (Selkirk) :

Q. There is something on it by Mr. Smart ?

A. There is a little writing here, but it is nothing. It is on the typewritten account : 50,000 German papers, 'Canada,' 50,000 wrappers and application forms, 5,000, 'Letters from Clergymen' £113 19s. 6d.'

By Mr. Blain :

Q. Why is that part of the account that is in Mr. Smart's handwriting there ?

A. I do not know why it is there, it has nothing to do with the account at all.

Q. Is Mr. Smart's handwriting part of the account which you have just read ?

A. No, the account proper is on Hickson, Ward & Company's own billhead.

Q. I am not asking that question. I am asking you if the account you have read is in Mr. Smart's handwriting ?

A. Yes.

By Mr. Miller :

Q. I understand it is duplicated; once in typewriting and once in Mr. Smart's writing ?

A. Yes, but there is no necessity for either because there is a billhead of Hickson, Ward & Company duly receipted, which I verified myself in London, England.

By Mr. Blain :

Q. Was Mr. Smart in the employ of the Department of the Interior at that time ?

A. He was not in the employ of the department on June 27, 1905; he left on January 1, 1905.

Q. How many months afterwards ?

A. That would be six months afterwards.

By Mr. Monk :

Q. How does he come to be in this transaction at all ?

A. I do not know.

Q. By whom was that voucher handed to you ?

A. I received it from the Immigration Branch of the Department of the Interior.

Q. You received it from the Immigration Branch, when ?

A. Just before I went to the old countries to audit these accounts.

Q. Then it was not a voucher you picked up in Amsterdam ?

A. No.

Q. Did that account go through the books of the North Atlantic Trading Company ?

A. The payment to the Farmers' Auxiliary Association went through—I cannot say for certain whether it was paid in two accounts, or one, to Mr. Leopold. I think

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it was in two payments if I remember right—but anyway it was in the books of the North Atlantic Trading Company.

Q. Can you state positively that this special amount of £113 went through the books of the North Atlantic Trading Company, that you saw it in Amsterdam?

A. I saw it in Amsterdam and verified it by their books.

Q. How did the voucher come to be here?

A. All the vouchers were here, Mr. Monk. They rendered a statement of every item of expenditure connected with the \$15,000 spoken of in the contract and that was one of the vouchers they had sent to the department.

By Mr. Wright (Renfrew):

Q. I would like to ask something about this Farmers' Auxiliary Association? What are they? Are they a printing firm or are they connected with the North Atlantic Trading Company?

A. They are practically the London agents of the company.

By Mr. Monk:

Q. Have they always been?

A. I could not say that. They have during the three years under discussion, from 1903, and I presume before that.

Q. When were they constituted agents of the North Atlantic Trading Company?

A. I do not know.

Q. Who was at the head of the Farmers' Auxiliary Association?

A. Mr. Leopold was at the head.

By Mr. Miller:

Q. The date of the payment from which that voucher was produced appears to be June, 1905?

A. June 27, 1905.

Q. And you say Mr. Smart left the employment of the department in January of the same year?

A. Yes.

Q. There is no date on that memorandum of Mr. Smart's, is there?

A. No, none at all.

Q. And naturally the order for that printing would have been given many months before payment was made?

A. Yes, some of it was given in October, 1904.

Q. While Mr. Smart was in the department.

A. Yes.

Q. Now, there is not anything to show you, or is there, as to why Mr. Smart made that memorandum or when he made it?

A. No, I cannot understand it.

Q. There is nothing to show that at all?

A. No.

Q. So it may have been made by Mr. Smart many months before the account was paid and while he was in the department?

A. I don't think so.

By Mr. Wilson (Lennox and Addington):

Q. Has this printing not got to be ordered by the North Atlantic Trading Company? Would they not order it themselves and submit it to the department for approval?

A. They did not always submit it to the department; they did some of it.

Q. It was part of the conditions?

APPENDIX No. 4

A. It was not obligatory. I think if you read the contract it does not force them to do it. If called upon to do it they would.

By Mr. Miller :

Q. Returning again to the Smart memorandum on the account, is there anything on the memorandum or have you any knowledge that would lead you to believe that was the way the memorandum was made up by Mr. Smart while he was still in the department or after he left ? You can have no information as to that ?

A. No, I have no information.

By Mr. Blain :

Q. You said a few minutes ago it was after Mr. Smart left the department ?

A. The account was paid after he left the department.

Q. Do you understand why Mr. Smart's memorandum is connected with this account at all ?

A. I have not the slightest idea.

Q. That is a part you do not understand ?

A. No.

By Mr. Wright (Renfrew) :

Q. Is there no date on it whatever ?

A. There is no date.

By Mr. Blain :

Q. Why do you think it is attached ?

A. Why do I think it is attached ?

Q. Why do you think it should be there ? You say you do not understand it. You are an accountant, I understand, why do you think it is attached to this account at all ? What significance has it ?

A. I do not think it has any significance at all. I do not see why it is placed there, because Hickson, Ward & Company's billhead, with full particulars, receipted, is there ; unless it was, they wanted to make a duplicate for some reason.

Q. Mr. Smart is the gentleman who was formerly Deputy Minister of the Interior ?

A. Yes, he was Deputy Minister of the Interior.

Q. And the same gentleman who had to do with the making of the contract ?

A. Yes, the same gentleman.

By Mr. Wilson (Lennox and Addington) :

Q. This is the shape you got it in, I suppose ?

A. Yes.

By Mr. Miller :

Q. I suppose under the systematic arrangements of the department, every scrap of paper that you have, connected with any transaction, is kept with the rest of the documents relating to that transaction ?

A. Yes, we generally do that.

By Mr. Monk :

Q. You referred a moment ago to a document in connection with the printing. Is that a memorandum made by you at the time ?

A. Which document ?

Q. That large sheet of paper you have ? Is it a memorandum made by you ?

A. It is a summary of the details on all the accounts.

By Mr. Carvell :

Q. Is it not a fact that in June, 1905, Mr. Smart was agent for the North Atlantic Trading Company in Canada ?

I. I think he was—if I have read the correspondence correctly—in May, 1905.

Q. Then in June he was the agent ?

A. Yes.

Q. After he became the agent of the North Atlantic Trading Company in Canada did any of the accounts and vouchers of the company pass through his hands ?

A. Not that I know of.

Q. You do not know then that anything came from the company to the department through Mr. Smart ?

A. I do not know that anything came.

By Mr. Blain :

Q. You do not know that they did not come through his hands ? Do you know anything about it ?

A. I do not know anything at all about it.

By Mr. Monk :

Q. Like my honourable friend Mr. Wright, I do not quite understand where the Farmers' Auxiliary comes in, in this matter. A large proportion of this printing during these three years seems to have been done in London ?

A. Yes.

Q. It was done under the orders of the Farmers' Auxiliary ? The accounts were rendered by the English printers to the Farmers' Auxiliary Association ?

A. Yes.

Q. And then, as I understand you, these accounts were paid from Amsterdam ?

A. Yes.

Q. You did not bring back any of the books of the North Atlantic Trading Company in which these entries were made ?

A. No, sir.

Q. Did you see the books of the Farmers' Auxiliary Association ?

A. I did ; they were in Amsterdam.

Q. The books of the Farmers' Auxiliary Association were in Amsterdam ?

A. I think I explained that to the committee. When I went to the office in London I found that Mr. Leopold had gone to Canada. On arriving at Amsterdam I reported that matter to the secretary and he said: 'That is all right ; all the books and papers necessary have been boxed up and sent over here.' So they were at my disposal to check.

Q. Now I understand you. The books of the Farmers' Auxiliary Association which, up to that time, had been in London, were sent over in a box, before you arrived in London, to the office of the North Atlantic Trading Company in Amsterdam ?

A. Yes.

Q. And that is what makes you say you saw these payments in the books of the North Atlantic Trading Company ?

A. Yes, in the books of the London office and the books of the Amsterdam office, of the North Atlantic Trading Company.

Q. Did these entries appear in the books of the Farmers' Auxiliary Association or in the books of the North Atlantic Trading Company ?

A. They appeared in the books of the North Atlantic Trading Company, the payments that had been made to the Farmers' Auxiliary Association.

Q. Then there were two sets of books, is that it ?

A. The head office at Amsterdam, of course, they have their set of books and Mr. Leopold kept an account of his transactions in London, England, also.

Q. Do I understand that you saw repeated in the books of the North Atlantic Trading Company—the books proper of that company in Amsterdam—the entries which were in the Farmers' Auxiliary Association's books which had been sent over from London to Amsterdam ; in other words double entries of these payments ?

A. No.

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Q. Exactly repeated from one set of books into the other set of books ?

A. No, for the purposes of my audit it was only sufficient for me to verify the entries in the books of the North Atlantic Trading Company to show that they had actually made these payments in connection with which they had rendered accounts to the department. I did that and went further than that; as far as I could I examined the correspondence bearing on each payment, and there was considerable correspondence too.

Q. Have you the correspondence with you bearing on this particular payment of £113 ?

A. No, I have no correspondence in connection with any of these amounts.

Q. Can you say that that payment of £113 sterling which is mentioned in Mr. Smart's memorandum was entered in the books of the Farmers' Auxiliary Association, and that a similar entry was to be found in the books of the North Atlantic Trading Company ?

A. I forget that, but still it was not necessary for the purposes of audit. It was in the books of the North Atlantic Trading Company, and when I got back to London I went to the office of Hickson, Ward & Company and put all the accounts before them and they were verified. I could not go further than that.

Q. Yes, but for the purpose of your audit I would like to know whether you found that payment of £113 sterling in the books of the Farmers' Auxiliary Association—or in the books which were sent over from London as you stated—and that you also saw it in the books of the North Atlantic Trading Company ?

A. I found it in the books of the North Atlantic Trading Company—it was shown there—but I cannot remember now whether I saw it in the books of the Farmers' Auxiliary Association, and it does not matter so much at all so far as the audit was concerned.

By Mr. Crawford :

Q. The payment went to the printing company ?

A. The payments went to the printing company and I verified them.

By Mr. Monk :

Q. Payment would be made by the North Atlantic Trading Company or through the Farmers' Auxiliary Association ?

A. Through the Farmers' Auxiliary Association.

Q. How do you know that ?

A. By the printing company. I went into that thoroughly ; I can swear to that.

Q. Then you are satisfied, from your visit to the printing company, that all these payments for printing were made by the Farmers' Auxiliary Association in the first place ?

A. I beg your pardon.

Q. You are satisfied, as far as you can be satisfied, from your visit to the printing company that they received their money from the Farmers' Auxiliary Association ?

A. Yes.

Q. They did not receive it direct from the North Atlantic Trading Company ?

A. No, sir.

Q. They got cheques, I presume, from the Farmers' Auxiliary Association ?

A. Yes, they were paid by cheques from the Farmers' Auxiliary Association.

Q. Then you say, the Farmers' Auxiliary Association would be reimbursed by the North Atlantic Trading Company ?

A. The North Atlantic Company would issue their cheque to the Farmers' Auxiliary Association and then it would be paid to Hickson, Ward & Company.

Q. What I would like to know, Mr. Beddoe, is this: When a printing account was incurred, was it paid and entered in the books of the North Atlantic Trading Company, or was it paid by the Farmers' Auxiliary Association and subsequently was there

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a settlement of accounts between the Farmers' Auxiliary Association and the North Atlantic Trading Company ?

A. I could not say at this moment, but I know all the accounts for printing were settled by the North Atlantic Trading Company by the issue of cheques to the Farmers' Auxiliary Association.

Q. Well, was there an issue of a cheque on the payment of each account, or was there a period of the year when the Farmers' Auxiliary Association would be recouped for its payments for printing by the North Atlantic Trading Company; in other words, would this item of £113 sterling be found first in the books of the Farmers' Auxiliary Association and afterwards in the books of the North Atlantic Trading Company ?

A. I could not say that now. All I know is that I verified the payments that were made to the Farmers' Auxiliary Association and I know that money was paid over to Hickson, Ward & Company.

Q. There never were, from what you say, any direct dealings between the North Atlantic Trading Company and Hickson, Ward & Company ?

A. No, sir.

Q. Who gave the orders, do you know, for this printing to Hickson, Ward & Company ? Who was the person ?

A. The secretary told me they always sent estimates of what printing they required and it was always considered thoroughly before they allowed their agent to give the order. Of course it was natural that they should keep the cost down as low as possible.

Q. I suppose the same system prevailed in 1905-6 ? Could you give the committee the proportion of printing that was done in England and the proportion that was done on the Continent out of what is mentioned in your report at page 6 for the printing of 1905-6 ?

A. Yes. Do you mean the volume of literature or the amount ?

Q. The volume of literature ?

A. On the Continent there were 275,000 pamphlets called 'Canada' printed.

Q. You might say where, at once, perhaps ?

A. That was in Hamburg.

Q. Then 300,000 covers for pamphlets ?

A. Hamburg, and 5,000 large Dutch pamphlets, 20 pages with map cover in two colours. That was in Hamburg.

Q. You have passed one, 173,500 agents' advertisements ?

A. Agents' advertisements printed on the back of the pamphlets. That was in Hamburg too.

Q. Who printed that ?

A. It was printed in Hamburg. 15,000 large Swedish pamphlets, 28 pages, with map cover, lithographed in two colours; 10,150 large Norwegian pamphlets, 32 pages, with map cover, lithographed in two colours.

Q. State where printed ?

A. All this was printed on the Continent.

Q. Yes, but where ?

A. In Hamburg. 100,000 maps, lithographed in three kinds, 75,000 in five colours and 25,000 in six colours.

Q. Printed where ?

A. At the same place, Hamburg, and at Budapest, in Hungary, there were a thousand Hungarian pamphlets printed.

Q. The cost of these, according to your report, seems to have been \$3,920.96 ?

A. That is for which year ?

Q. For 1905-6.

A. How much ?

Q. The cost of this printing for that year was \$3,920.96 ?

A. Yes, that is the total.

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Q. Now all this printing having been done in Hamburg, you have the vouchers ?

A. I have only copies of the vouchers for that year.

Q. Why have you not the original vouchers ?

A. The secretary of the company refused to give me the originals but he produced them and I verified them. His reason for not giving me the originals was that on account of the discussion in the different committees last session it was thought that there would be a great deal of trouble for these people who had been doing work for the North Atlantic Trading Company and he did not want the names to be made public.

Q. The secretary refused to show you the originals ?

A. He did show me the originals.

Q. He refused to give you the originals because from what occurred last year he thought there would be trouble ?

A. Yes.

Q. For whom ? The parties who had done the printing ?

A. Yes, the people who had done the printing. That is the reason that all the names of people who have done printing for the company should be kept private and as little publicity given to them as possible.

Q. Did he bind you to secrecy as to these printers as he did with respect to the agents of the company ?

A. He showed me the accounts receipted on the understanding that I would not divulge the names; that was it.

Q. You entered into that understanding ?

A. I did, sir, yes.

Q. This document which purports to be a copy of these vouchers is made out on the 30th June, 1906, as I see ?

A. Yes. That is the affidavit, is it ?

Q. This is a certificate of Mr. Cohen, dated Amsterdam, 30th June, 1906, in the following terms: 'I certify that this copy attached hereto is a true and correct copy of the general account for printed matter ordered and distributed by the company and the amount named has been paid to the printers. This printing consists of,' &c. &c. ?

A. Yes.

Q. This is dated June 30, 1906 ?

A. Yes.

Q. And you were in Amsterdam at what date ?

A. The end of November or the beginning of December.

Q. And he showed you that document ?

A. That had been furnished to the department.

Q. In fact you brought that over ?

A. Yes.

Q. Do you mean to say you compared these with the original accounts ?

A. I did, yes.

Q. But this is a statement in a thoroughly foreign language. Do you understand this language ?

A. We have the specimens of the pamphlets that were printed, and I have examined the book which they kept in regard to the distribution of this literature.

Q. I see an item on the 22nd June, 1905. Is that familiar to you ?

A. Which one is that ?

Q. At the top of the page. I give that as an instance of one of the items ?

A. It is on freight charges on literature.

Q. What language is that in ?

A. In German.

Q. Do you understand German ?

A. No, sir.

Q. Now this copy of a statement—because it is nothing else—is certified by Mr. Smart on July 25, 1906, at Amsterdam, in the following words : 'Having seen the

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original account representing the above expenditure, duly receipted by the printing house, I certify the above to be a correct copy of each item in said account. Jas. A. Smart.' At that time Mr. Smart was the Canadian agent of the North Atlantic Trading Company, was he not ?

A. Yes.

Q. And this document you took over to the other side from Canada ?

A. Yes.

By Mr. Wilson (Lennox and Addington):

Q. Had it that certificate on it ?

A. It had the certificate on it at the time. I might state that these vouchers were submitted to the Auditor General just in the shape that Mr. Monk has mentioned and he refused to take them. He said: 'Mr. Smart is no longer a member of the Department of the Interior, and before passing any more accounts for the North Atlantic Trading Company I would like a responsible officer of the department to go thoroughly into these matters in order that he may give the certificate.'

Mr. WILSON.—I think he was quite right as a matter of policy, don't you ?

By Mr. Blain :

Q. You said you brought away a memorandum rather than the original accounts. Why did you not bring the original accounts ?

A. I think I stated to the committee, that during the inquiry last session in the different committees several names had been made public and it got to the ears of the officials at Amsterdam, and they felt that if it was announced publicly in the papers there, it would give trouble to all these people who were working for them.

Q. That was not my point. Did you receive instructions to secure the original accounts when you went over ?

A. No, my instructions were to audit the accounts..

Q. I understood you to say you desired to procure the original accounts but they would not give them to you. What I want to get at is, were you instructed to procure the original accounts when you went over ?

A. No, I did not have any instructions of that nature.

Q. Why did you ask for them ?

A. Because it would have been better if I could have brought all the original accounts back. At the same time when the secretary pointed out the difficulty I did not urge the matter at all; I satisfied myself that the expenditure had been made and the Auditor General would take my certificate on that.

Q. Were instructions given to you in writing when you went over ?

A. As to how I should proceed, do you mean ?

Q. What instructions had you when you were sent to examine these accounts ?

A. No instructions, except to carry out the wishes of the Auditor General.

Q. No written instructions whatever ?

A. Nothing, except a general letter of introduction to the officers of the North Atlantic Trading Company.

Q. No instructions whatever as to what you were to do ?

A. No, none whatever.

By Mr. Monk :

Q. Was any memorandum given to you ?

A. No memorandum.

Q. Who gave you that letter of introduction ?

A. My minister.

Q. Was it written by him ?

A. Written by his secretary.

Q. Was it a letter of the minister ?

A. It was just simply a letter of introduction to any of the officers of the North Atlantic Trading Company, while on my visit ; that is all.

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Q. You have a copy of that letter ?

A. I have not a copy of it. It was very short, but I can remember pretty well what the wording of it was.

Q. There is no copy of that letter extant ?

A. I don't know that there is. There was nothing in it.

Q. Nothing to indicate the subject of your mission, the extent of your powers, and the work you were to do ?

A. No, nothing at all. It was just a letter of introduction stating who I was and it was addressed to the officers of the North Atlantic Trading Company but no one in particular.

By Mr. Blain :

Q. And did you give it to one of them ?

A. I gave it to one of them and left it at Amsterdam.

Q. Would you make an effort to see if there is a copy in the department ?

A. I do not think there would be any objection to giving it to the committee ; of course I would not like to state offhand. There is nothing in it, as far as I can remember but what anybody could see.

Q. Did you go over with any definite instructions at all ? Who talked the matter over with you just before you went ?

A. It was the letter received from the Auditor General—received in the department—stating that he would not pass any more accounts until an audit had been made by an officer of the department ; that was really the whole thing.

By Mr. Monk :

Q. I think I must ask you, Mr. Beddoe, under the circumstances to give the committee the names of these printers to whom such large accounts appear to have been made for printing in 1904-5. I regret that you have taken that engagement not to reveal the names. You will understand as an accountant yourself, that an audit to be satisfactory to us must have that information.

By Mr. Carvell :

Q. Are the names on these accounts ?

A. No names.

By Mr. Barr (Dufferin) :

Q. It is very important that we should have this information otherwise we shall be in the dark ?

A. We have samples of the literature which was printed for which these accounts have been rendered.

By Mr. Blain :

Q. When you were asked to make a declaration that you would not divulge the names, did you do it without consulting your minister ?

A. I did not make a declaration.

Q. What did you do ?

A. I said I would like to see the original receipts. 'Well,' the secretary said, 'Mr. Beddoe, I cannot possibly show you those receipts unless you will promise faithfully that you will not divulge the names.' So I said all right.

Q. All this money was paid out of the treasury of Canada.

A. That is a mistake. Not one cent of this was paid out of the treasury.

Argument followed, Mr. Monk holding that the committee had a right to know the names of the printers in Europe to whom the North Atlantic Trading Company claimed to have paid money.

The WITNESS.—I think that I should be allowed to say a few words in justification of the work that I did. It really does not matter whether this name is divulged

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or given to the committee at all. I was asked to audit the books to see whether this company had paid out \$15,000—

Mr. MONK.—I have no objection at all to this witness arguing the point in this committee, but I think he is here as a witness.

Mr. CARVELL.—I think it is fair that the witness should state his reasons.

The Chairman ruled that the witness should be allowed to proceed.

The WITNESS.—I wish to be as respectful as I can to the members of the committee and place myself right with them. I have now been accustomed to figures for forty years and I think I went into the matter pretty thoroughly when I was in Europe. I anticipated that questions would be asked, probably in the Public Accounts committee or in this committee, and therefore I studied all sides of this question, although it is only a small matter the expenditure of \$15,000 a year. But when the secretary of the North Atlantic Trading Company asked me as a favour not to press for the production of this voucher, I said: 'I cannot audit the books thoroughly until I have seen that there is a receipted account from this paper that the money has been paid.' He produced it but would not give it to me; he only furnished a duplicate with a declaration that it was correct. After going over the figures for that year I found that instead of the \$15,000 which they were asked to expend, there was a sum of \$18,283.79 expended in 1905-6, or a surplus of \$3,283.79 over and above what was called for by the contract. The amount of the account in question, which they would not allow me to bring back with me, amounted to about \$2,200 so that eliminating that altogether there was still between one or two thousand dollars expended, over and above the \$15,000 called for by section 3 of the contract. We spoke of this and I said: 'Very well then, I won't press the matter and I will promise you that I won't reveal the name of this printer'

By Mr. McCraney :

Q. What was the reason given for the request of their secretary that this name should not be disclosed?

A. His reason was because the examination in the different committees here last session had been reported in some of the papers on the Continent. Some of these names had been mentioned in the committee by the witnesses, and they were afraid that they might get into very serious trouble.

Q. Where did this printer live?

A. In Hamburg.

By Mr. Bergeron :

Q. Did you understand by that that the government of Canada had made any illegal contract over there?

A. I did not, sir, because in the contract with the North Atlantic Trading Company there was a clause saying that they bound themselves not to infringe the laws of any of those countries.

Q. Then how do you account for this refusal to give the name under the circumstances?

A. They carried on their propaganda in their own peculiar manner, but it had to be kept very secret.

By Mr. Lake :

Q. Do I understand you to say that you only understand English?

A. Just English and a little French, that is all.

Q. The great majority of all these accounts, vouchers, and correspondence in connection with the vouchers were in languages you do not understand?

A. Yes.

Q. Did you have an interpreter with you?

A. There were three interpreters in the office.

Q. But they were in the employ of the North Atlantic Trading Company, I presume?

APPENDIX No. 4

A. Yes.

Q. You did not have an interpreter there in your own employ to translate these accounts for you ?

A. I did not.

Q. Therefore you had to take in trust what was told you by the officers of the company as to the meaning of these vouchers ?

A. I think, sir, even if you do not understand—I do not know if you do—the German language and you had a letter there acknowledging the receipt of certain payments, and some one who did understand the language read it over for you, your common intelligence would let you know it was absolutely correct, and that is the way I did.

Q. I must confess that you can follow two or three main words, but as to the meaning of the minor words it is rather difficult to be absolutely certain of the exact wording of any letter such as that ?

A. It was the figures I went more by.

By Mr. Burrows :

Q. Are you satisfied they interpreted this memorandum for you correctly or have you any suspicion that they were misleading you ?

A. I am absolutely satisfied they interpreted correctly.

By Mr. Lake :

Q. It did not occur to you in going into a lot of languages you did not understand, that you should have had an interpreter in your own employ to do the translation for you ?

A. I did not think it was necessary at all.

By Mr. Telford :

Q. Did you satisfy yourself that the printing was done ?

A. Yes, sir, I have copies of the printed material here with me now. I examined the distribution in the books in which they entered the date, the name of the consignee, and the quantity and description of the literature that was distributed, so that I was pretty well satisfied.

By Mr. Blain :

Q. Will you state to the committee from memory just what happened when you approached the accountant to look up the accounts ?

A. I don't quite understand.

Q. You approached the accountant to look over these accounts ?

A. Yes.

Q. Then will you state to the committee what happened and what was said when you approached him and afterwards ?

A. I presented to him my letter of introduction.

Q. Well ?

A. And produced the vouchers which you see here to-day and went over them. I examined the company's books and verified the entries there.

Q. Yes ?

A. And then to further verify it I asked him for correspondence, of which they had a large quantity.

Q. And after that was all done and you noticed that the amounts had been expended it was then he asked you not to divulge the name, was it ?

A. I had made up the amounts.

Q. I am asking you this question: I want to know, was it at the commencement or close of your conversation that he requested you not to divulge the name ?

A. At the close.

Q. I asked you to tell the committee what happened. You have told us down to

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a certain point. Now, I want to know if it was at the close or commencement of your conversation that he asked you not divulge the name ?

A. It was when I was examining the accounts for 1905-6.

Q. You had access to the books and it was after that ?

A. Yes.

Q. While you were going through the accounts ?

A. While I was going through the accounts. I knew actually what had been expended from the account that had been rendered before—the total.

Q. Then he did not say that to you at the same time, it was after you were going through his books ?

A. After, yes.

By Mr. Monk :

Q. Why did you not bring back the books of the Farmers' Auxiliary Association ?

A. I could not.

Q. Did you ask for them ?

A. I did not.

Q. Is that Farmers' Auxiliary dissolved to-day ?

A. I could not say ; I don't know anything about it.

Q. Were the books, after your visit, returned from Amsterdam to London ?

A. I could not say that, I presume they must have been.

Q. But they were all in Amsterdam while you were there ?

A. All in Amsterdam.

Q. Now, referring to the expenditure for advertising amounting to \$14,472.08, as set out at page 7 of your report, who are the parties to whom this money was paid ?

A. That is the total for the three years 1903-4, 1904-5, 1905-6, is it not ?

Q. Yes, sir.

A. Street & Co., of London, England, were paid a considerable amount for all the advertising in Germany, Luxemburg and Switzerland.

Q. About what proportion of these 14,000 odd dollars were paid to Street & Co. ?

A. I have not those figures before me, but I can make it up.

Q. Have you the vouchers for Street & Co. ?

A. Oh, yes, I have the vouchers for everything.

Q. Would you let me see Street & Co.'s vouchers ?

A. Yes. (Produces vouchers.)

Q. Am I right in saying that the advertising account of Street & Co. for 1903-4 was £20-10-8 sterling ?

A. It is £41 8s. 10 altogether.

Q. It does not seem to have receipted ?

A. There were two accounts for advertisements in newspapers in Switzerland.

Q. But this is a very small portion of the advertising for 1903-4 ?

A. Yes.

Q. Who received the balance ?

A. Der Monats Kalender, for advertising in Austro-Hungarian papers for five months. That is quite a considerable sum there.

Q. Have you that voucher ?

A. Here it is (produces voucher). These are the receipts.

Q. Have you any receipts for rent, and travelling expenses ?

A. Yes.

Q. Allowances to agents for conducting propaganda, commissions to agents ?

A. Yes, sir, I have all these vouchers for rent and everything.

Q. Show me some vouchers for rent ?

A. Travelling expenses also and all the things you mentioned.

At this stage Mr. Monk moved, seconded by Dr. Barr, that the witness be ordered to give the names of the printers referred to in his depositions which he had declined to furnish to the committee. Upon a division the motion was declared lost.

APPENDIX No. 4

By Mr. Miller :

Q. You have been in the department some twenty-five years and are now chief accountant.

A. Since 1883.

Q. You were then in the Department of Interior at the time of the late Conservative government when Sir Charles Tupper was premier ? I want to ask you whether the emigration work in European countries in which the North Atlantic Trading Company has been operating was not in the old days, under the Conservative régime, carried on with the same system of secrecy which has prevailed during the last few years under the North Atlantic Trading Company.

Mr. WILSON (Lennox and Addington).—I rise to a point of order. There is not only the doubt as to whether that is a fair question, but at that time, if I remember right, the emigration work was under the Department of Agriculture.

By Mr. Miller :

Q. Have you any knowledge as to the manner in which emigration was carried on from these particular countries of Europe in the days of the Conservative régime ?

A. I always understood that the continental emigration had to be kept pretty secret.

By Mr. Wilson (Lennox and Addington):

Q. Do you know that ?

A. Yes, I know that because it has continually come to my notice through correspondence, and it is on record in the department too.

Q. Do I understand then that from the correspondence you have examined, and from the records of the department, you are convinced and assured that the same system of secrecy was in vogue in the days of the Conservative government that is in vogue to-day ?

A. I think in the discussion in the House last session that was brought out pretty strongly by some member, I forget who it was. There were letters read in the House were there not ?

Mr. MONK.—Yes ; it has been a custom for a long time.

The WITNESS.—In writing to the department he always, or as a rule, made private reports in connection with the continental emigration.

By Mr. Miller :

Q. Who did ?

A. Sir Charles Tupper.

Mr. MILLER.—The witness says that Sir Charles Tupper always made a private report.

The WITNESS.—Not always.

By Mr. Blain :

Q. How do you know Sir Charles Tupper made a private report ?

A. It is stated in the blue books of the Department of Agriculture.

Q. Were you in the department at that time ?

A. No.

Q. You had no opportunity of knowing ?

A. But I looked into this matter of emigration for my own private satisfaction.

By Mr. Miller :

Q. You have the knowledge from the reports you have read in the blue book ?

Q. Yes, and also from the correspondence in the Department of Interior.

Q. You have said that the officers of the North Atlantic Trading Company were very much afraid that publicity would get their agents into trouble—the divulging of their names ?

A. Yes.

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Q. I understand these agents were largely, originally, the booking agents of the steamship companies ?

A. Yes.

Q. Have you any knowledge, or have you heard anything, of these steamship lines getting into trouble from prosecuting European emigration to Canada ?

A. Yes, only last winter when I was over there, I saw in the newspapers, I think it was at Budapest, the government was in session and it came to their knowledge that the Cunard Line had been conducting a pretty aggressive propaganda and they were ordered to close up their office there.

Q. Now, Mr. Leopold's name has been before the committee as a man, who in England, was doing a considerable work for the North Atlantic Trading Company, and I think that some effort has been made to rather throw reflections upon the work and name of Leopold. I have seen it stated in the papers that Leopold is in the employ of the Manufacturers' Association of Canada to bring artisans, or encourage the emigration of artisans, from European countries to Canada. Do you know whether that is correct or not ?

A. I don't know anything about that.

Q. In a speech delivered in the House last session on the North Atlantic Trading Company, Mr. Foster rather endeavoured to lead us to believe that Mr. Sifton, Mr. Smart and Mr. Preston were making money, and had made money, out of the transactions of the North Atlantic Trading Company. I want to know whether you, from the knowledge you have gained in the department, from the knowledge you gained whilst making your visit to London and on the continent—whether from the knowledge you have obtained regarding emigration work, have discovered anything to lead you to believe or to suspect that either Mr. Sifton, Mr. Preston or Mr. Smart have derived any benefit whatever from these transactions of the North Atlantic Trading Company ?

A. No, I never saw anything.

By Mr. Blain :

Q. Do you know whether they did or did not ?

A. I don't know anything about it. I never saw anything to lead me to suspect that they ever derived anything from the profits of the North Atlantic Trading Company.

Q. You don't know anything about it ?

A. I never saw anything to cause me to suspect they did, and I don't think they did.

The witness was discharged.

Having examined the preceding transcript of my evidence of March 20, 1907, I find it correct.

CHAS. H. BEDDOE,
Accountant of the Department of the Interior.

APPENDIX

TO THE

PRECEDING REPORT

RESOLUTIONS ADOPTED BY THE COMMITTEE.

The following resolutions were adopted by the Committee as recommendations for the promotion of the agricultural and industrial interests of the Dominion:—

No. 1.—ORGANIZATION—ELECTION OF A CHAIRMAN.

The Select Standing Committee on Agriculture and Colonization having met this day for organization, it was moved by Mr. Calvert, seconded by Mr. McIntyre (Strathcona)—‘That Mr. McKenzie be Chairman of this Committee, for the current session of parliament.’—Motion adopted.

COMMITTEE ROOM 34,

WEDNESDAY, December 12, 1906.

No. 2.—TO EMPLOY A SHORTHAND WRITER.

Moved by Mr. Derbyshire,

Seconded by Mr. Wright (Renfrew)—‘That the Committee ask authority from the House to employ a shorthand writer, to take down such evidence as they may deem proper.’—Motion adopted.

COMMITTEE ROOM 34,

WEDNESDAY, December 12, 1906.

No. 3.—RESOLUTION ON PUBLIC SERVICES OF MR. JOHN MACOUN.

Moved by Mr. Derbyshire,

Seconded by Mr. Wright (Renfrew)—‘That the thanks of this Committee be now tendered Mr. John Macoun, Naturalist to the Geological Survey Department, of Canada, for the valuable information laid by him before the Committee on the natural capabilities of that large section of Western Canada extending from Edmonton to Portage la Prairie, on the occasion of his appearance before us, on this subject.’

The Committee desire also, to record their appreciation of the valuable services Mr. Macoun has rendered to Canada in the past thirty years of his arduous official services as a practical science officer of the Geological Survey of the Dominion, notable among which are the following explorations of territory: Professor Macoun’s first trip across the prairies was with Sir Sandford Fleming in 1872. His glowing report of the country traversed, caused him to be sent again in 1875 to explore the route that it was then intended that the Canadian Pacific would follow. When the present route was decided upon, the government sent him in 1879, 1880 and 1881, to report upon the country that would be opened up by the railway. Optimistic as his reports and prophecies were, they have all proved true.

To these are to be added Prof. Macoun’s explorations in the Canadian Yukon Territory, in 1903, which revealed for the first time that, that far northern division of Canada also possesses agricultural resources of no mean order.—Motion cordially adopted.

COMMITTEE ROOM 34,

WEDNESDAY, January 23, 1907.

No. 4.—THE PRINTING OF EVIDENCE.

Mr. Derbyshire moved,

Seconded by Mr. McIntyre (Strathcona)—1. 'That the Committee recommend that 20,000 copies of the evidence of Mr. John Macoun, F.L.S., F.R.S.C., Naturalist to the Geological Survey, taken by the Committee in the current session of parliament, be printed in pamphlet form, forthwith, in the usual numerical proportions of English and French, as advance sheets of the Committee's Final Report, for distribution as follows: 17,800 copies to members of parliament; 1,000 copies to the Department of Interior; 1,000 copies to Department of Agriculture, and 200 copies to the use of the Committee.

2. 'And also that 20,000 copies of the evidence of Mr. Elihu Stewart, Superintendent of Dominion Forestry, taken by the Committee in the current session of parliament, be printed in pamphlet form as advance sheets of the Committee's Final Report, and distributed precisely as described in preceding section No. 1, in the case of the evidence of Mr. John Macoun.'—Motion adopted.

COMMITTEE ROOM 34,

WEDNESDAY, February 6, 1907.

No. 5.—PRINTING EVIDENCE.

Moved by Mr. Derbyshire,

Seconded by Mr. Wright (Renfrew)—1. 'That the Committee recommend to the House that 20,000 copies of the evidence of Mr. J. A. Ruddick, Dairy Commissioner, taken by the Committee in the current session of parliament, be printed in pamphlet form, forthwith, as advance sheets of the Committee's Final Report, in the usual numerical proportions of English and French, for distribution as follows: 16,900 to members of parliament; 3,000 to the Department of Agriculture, and 100 copies to the use of the Committee.

2. 'Also that 20,000 copies of the evidence of each of the following: Dr. W. Saunders, Director of Experimental Farms; G. H. Clark, Seed Commissioner, and Dr. Charles Saunders, Cerealists, taken by the Committee, in the current session of parliament, be printed, forthwith, in the usual numerical proportions of English and French, and in each case be distributed in the exact manner and numbers as described in the first above section.'—Motion adopted.

COMMITTEE ROOM 34,

WEDNESDAY, February 27, 1907.

No. 6.—TO SUMMON MR. BEDDOE, TO GIVE EVIDENCE.

Moved by Mr. Monk,

Seconded by Mr. Blain—'That Mr. Beddoe, Accountant of the Department of the Interior, be ordered to appear before the Committee at its next meeting.'—Motion adopted.

COMMITTEE ROOM 34,

WEDNESDAY, March 6, 1907.

No. 7.—TO PRINT EVIDENCE OF DR. FLETCHER.

Moved by Mr. Clements,

Seconded by Mr. Black—'That 40,000 copies of the evidence of Dr. Fletcher, heard by the Committee in session to-day, be printed for circulation.'—Motion adopted.

COMMITTEE ROOM 34,

WEDNESDAY, March 6, 1907.

APPENDIX No. 4

No. 8.—TO REPORT EVIDENCE TO THE HOUSE.

Moved by Mr. Monk,

Seconded by Mr. Blain—‘That the evidence of Mr. Beddoe, be reported, forthwith, to the House, and that the witness (Mr. Beddoe) be now discharged.’—Motion adopted.

COMMITTEE ROOM 34,

WEDNESDAY, March 20, 1907.

No. 9.—TO PRINT EVIDENCE OF MR. F. CHARLAN.

Moved by Mr. Monk,

Seconded by Mr. Dugas—‘That 20,000 copies of the evidence of Mr. Charlan, taken by the Committee now in session, be printed, forthwith, in pamphlet form, for circulation.’—Motion adopted.

COMMITTEE ROOM 34,

WEDNESDAY, March 27, 1907.

No. 10.—TO PRINT EVIDENCE OF PRINCIPAL J. W. ROBERTSON.

Moved by Mr. Derbyshire,

Seconded by Mr. Wright (Renfrew)—‘That 40,000 copies of the evidence of Principal J. W. Robertson, taken by the Committee now in session, be printed, forthwith, in the usual numerical proportions of English and French, for distribution.’—Motion adopted.

COMMITTEE ROOM 34,

WEDNESDAY, April 3, 1907.

No. 11.—THANKS OF COMMITTEE TENDERED TO PRINCIPAL J. W. ROBERTSON.

Moved by Mr. Sproule,

Seconded by Mr. Wright (Muskoka)—‘That the cordial thanks of the Committee be now tendered to Principal Robertson for the highly instructive address with which he has furnished them at their meeting of this day.’—Motion adopted.

COMMITTEE ROOM 34,

WEDNESDAY, April 3, 1907.

No. 12.—THANKS OF COMMITTEE TENDERED TO CHAIRMAN.

Moved by Mr. Derbyshire,

Seconded by Mr. Wright (Renfrew)—‘That the thanks of the Committee be tendered to Mr. McKenzie, for the marked ability and courteousness with which he has conducted the investigations of the Committee, throughout the current session of parliament.’—Motion cordially adopted.

COMMITTEE ROOM 34,

• THURSDAY, April 25, 1907.

INTERIM REPORTS.

FIRST REPORT.

The Select Standing Committee on Agriculture and Colonization present their First Report, as follows:—

The Committee recommend that they be granted leave by the House to employ a shorthand writer to take down such evidence as they may deem proper.

P. H. MCKENZIE,
Chairman.

HOUSE OF COMMONS,
December 13, 1906.

Concurred in by the House, December 13.

SECOND REPORT.

The Select Standing Committee on Agriculture and Colonization present their Second Report, as follows:—

The Committee recommend that 20,000 copies of the evidence of Mr. John Macoun, F.L.S., F.R.S.C., Naturalist to the Geological Survey, taken by the Committee in the current session of parliament, be printed in pamphlet form, forthwith, in the usual numerical proportions of English and French, as advance sheets of the Committee's Final Report, for distribution as follows: 17,800 copies to members of parliament; 1,000 copies to the Department of Interior; 1,000 copies to the Department of Agriculture, and 200 copies to the use of the Committee.

2. And also that 20,000 copies of the evidence of Mr. Elihu Stewart, Superintendent of Dominion Forestry, taken by the Committee in the current session of parliament, be printed in pamphlet form, forthwith, in the usual numerical proportions of English and French, as advance sheets of the Committee's Final Report, and distributed precisely as described in preceding section No. 1, in the case of the evidence of Mr. John Macoun.

HOUSE OF COMMONS,
February 6, 1907.

Concurred in by the House, February 7.

THIRD REPORT.

The Select Standing Committee on Agriculture and Colonization present their Third Report, as follows:—

1. The Committee recommend that 20,000 copies of the evidence of Mr. J. A. Ruddick, Dairy and Cold Storage Commissioner, taken by the Committee in the current session of parliament, be printed in pamphlet form, forthwith, as advance sheets of the Committee's Final Report, in the usual numerical proportions of English and French, for distribution, as follows: 16,900 to members of parliament, and 3,000 to the Department of Agriculture, and 100 copies to the use of the Committee.

2. That 20,000 copies of the evidence of each of the following witnesses, taken by the Committee in the current session of parliament, viz.: those of G. H. Clarke,

APPENDIX No. 4

Seed Commissioner; Dr. C. E. Saunders, Experimentalist, and of Dr. W. Saunders, Director of Dominion Experimental Farms, be printed, forthwith, in separate pamphlet forms, as advance sheets of the Committee's Final Report, in the usual numerical proportions of English and French, and in each case to be distributed in exact manner and numbers as directed in section 1 of this Report.

HOUSE OF COMMONS,

March 1, 1907.

Concurred in by the House, March 4.

FOURTH REPORT.

The Select Standing Committee on Agriculture and Colonization present their Fourth Report.

1. The Committee recommend that 20,000 copies of the evidence of Mr. A. McNeil, Chief of the Fruit Division, Department of Agriculture, taken by the Committee in the current session of parliament, be printed in pamphlet form, forthwith, as advance sheets of the Committee's Final Report, in the usual numerical proportions of English and French, for distribution, as follows: 16,900 to members of parliament, 3,000 to the Department of Agriculture, and 100 copies to the use of the Committee.

2. That 40,000 copies of the evidence of Dr. James Fletcher, Dominion Entomologist and Botanist, taken before the Committee in the current session of parliament, be printed in pamphlet form, forthwith, as advance sheets of the Committee's Final Report, in the usual numerical proportions of English and French, for distribution, as follows: 35,900 to members of parliament, 3,000 to the Department of Agriculture, 1,000 to the witness, and 100 to the use of the Committee.

HOUSE OF COMMONS,

March 21, 1907.

Concurred in by the House, March 22.

FIFTH REPORT.

The Select Standing Committee on Agriculture and Colonization present their Fifth Report.

The Committee submit herewith, for the information of the House, the evidence of Mr. C. H. Beddoe, Accountant of the Department of Interior, upon his findings on his personal examination in Europe of the books and accounts of the expenditure of the North Atlantic Trading Company, upon immigration to Canada, for the years ending 30 June, 1903, to 30 June, 1906, inclusive.

HOUSE OF COMMONS,

March 27, 1907.

SIXTH REPORT.

The Select Standing Committee on Agriculture and Colonization present their Sixth Report, as follows:—

1. The Committee recommend that 20,000 copies of the evidence of Mr. F. Charlan, of the Department of Agriculture, taken by the Committee in the current session of parliament, be printed in pamphlet form, forthwith, as advance sheets of the Committee's Final Report, in the usual numerical proportions of English and French, for

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distribution as follows: 16,900 to members of parliament, 3,000 to the Department of Agriculture, and 100 to the use of the Committee.

2. That 40,000 copies of the evidence of Dr. J. W. Robertson, Principal of the Macdonald College of Agriculture, at Ste. Anne de Bellevue, Quebec, taken before the Committee in the current session of parliament, be printed in pamphlet form, forthwith, as advance sheets of the Committee's Final Report, in the usual numerical proportions of English and French, for distribution as follows: 34,900 copies to members of parliament, 3,000 to the Department of Agriculture, 2,000 to the witness, and 100 to the use of the Committee.

HOUSE OF COMMONS,

April 5, 1907.

Concurred in by the House, April 9.

PROCEEDINGS
OF THE
SELECT COMMITTEE APPOINTED FOR THE
PURPOSE OF INQUIRING
INTO THE
PRICES CHARGED FOR LUMBER
IN THE
PROVINCES OF MANITOBA, ALBERTA AND SASKATCHEWAN

MINUTES OF PROCEEDINGS, MINUTES OF EVIDENCE
REPORTS AND SYNOPSIS OF EXHIBITS

(Revised Edition)

PRINTED BY ORDER OF PARLIAMENT



OTTAWA

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EXCELLENT MAJESTY

1907

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ORDERS OF REFERENCE.

WEDNESDAY, 6th February, 1907.

Resolved,—That it is important to the success of, rapid and prosperous settlement in the Provinces of Manitoba, Alberta and Saskatchewan, that lumber should be supplied to the settlers at as low a price as possible consistent with a reasonable profit to the manufacturers of lumber. That the prices charged for lumber in the said provinces are regarded by settlers as unreasonable and excessive. That it is charged and claimed on behalf of the said settlers that an unlawful combination exists among and between the manufacturers of and dealers in lumber for the purpose of unduly enhancing the price to the consumer. That a Select Committee composed of nine be appointed for the purpose of inquiring into the matters aforesaid, with power to send for persons and records, and to examine witnesses on oath.

Attest.

THOS. B. FLINT,
Clerk of the House.

MONDAY, 11th February, 1907.

Ordered,—That the following members do compose the said Committee: Messieurs Greenway, Sloan, Knowles, McIntyre (Strathcona), McIntyre (Perth), Fowler, Lancaster, Herron and Schaffner.

Attest.

THOS. B. FLINT,
Clerk of the House.

TUESDAY, 5th March, 1907.

Ordered,—That the names of Messieurs Crocket and Galliher be added to the said Committee.

Attest.

THOS. B. FLINT,
Clerk of the House.

TUESDAY, 12th March, 1907.

Ordered,—That the said Committee have leave to sit during the time that the House is in session.

Attest.

THOS. B. FLINT,
Clerk of the House.

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THURSDAY, 14th March, 1907.

Ordered,—That the proceedings and any evidence taken by the said Committee be printed from day to day for the use of members, and that Rule 72 be suspended in reference thereto.

Attest.

THOS. B. FLINT,
Clerk of the House.

FIRST REPORT.

HOUSE OF COMMONS,

12th March, 1907.

The Select Committee appointed for the purpose of enquiring into the prices charged for Lumber in Manitoba, Saskatchewan and Alberta, beg leave to present the following as their First Report:—

Your Committee recommend that they be given leave to sit while the House is in session.

All which is respectfully submitted.

THOS. GREENWAY,

Chairman.

SECOND REPORT.

HOUSE OF COMMONS,

14th March, 1907.

The Select Committee appointed for the purpose of enquiring into the prices charged for Lumber in Manitoba, Saskatchewan and Alberta, beg leave to present the following as their Second Report:—

Your Committee recommended that their proceedings and any evidence taken by them be printed from day to day for the use of Members, and that Rule 72 be suspended in reference thereto.

All which is respectfully submitted.

THOS. GREENWAY,

Chairman.

THIRD REPORT.

HOUSE OF COMMONS,

19th April, 1907.

The Select Committee appointed for the purpose of enquiring into the prices charged for Lumber in the Provinces of Manitoba, Alberta and Saskatchewan, beg leave to present the following as their Third Report:—

Your Committee have, during the course of their enquiry, held some thirty-three sittings and examined thirty-two witnesses, and have had a large number of books, letters, price-lists and other papers and documents laid before them as exhibits, which together with the Minutes of their proceedings from the 19th February last and the evidence taken by them are herewith submitted for the information of the House.

Your Committee are of the opinion that the prices charged for lumber to consumers in the provinces referred to are excessive.

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Your Committee find that there has existed for some years past, and still exists, an association known as "The Western Retail Lumbermen's Association." This association included all three Provinces until recently, when the dealers of Alberta formed a similar association of their own called "The Alberta Retail Lumber Dealers' Association." These two associations amount in the opinion of your Committee to a combination, and the objects and results of the operations of these two associations have been to unduly enhance the said prices, as appears from the price-lists themselves and the by-laws, minute-books and correspondence, and evidence of witnesses, in regard to the said operations.

Your Committee also find that more recently the manufacturers formed associations known as "The British Columbia Lumber and Shingle Manufacturers' Association" and "The Mountain Lumber Manufacturers' Association," which, in the opinion of the Committee, amount to a combination, and co-operated with the said retail associations, and on the part of these manufacturers a good deal of evidence was submitted to show that their prices were not excessive, but before concurring in that view your Committee think there should be more evidence as to the cost of production to the manufacturers.

Your Committee also had to take into consideration the fact that the cost of lumber to the settler is materially affected by the cost of freight, as well as by the cost to and profits to the manufacturer and retailer.

All which is respectfully submitted.

THOS. GREENWAY,
Chairman.

MINUTES OF PROCEEDINGS

OF THE

SELECT COMMITTEE APPOINTED FOR THE PURPOSE OF INQUIRING
INTO THE PRICES CHARGED FOR LUMBER IN THE PROVINCES
OF MANITOBA, ALBERTA AND SASKATCHEWAN.

HOUSE OF COMMONS,

TUESDAY, February 19, 1907.

The committee met at 11 o'clock a.m.

Present: Messrs. Fowler, Greenway, Herron, Knowles, Lancaster, McIntyre (Strathcona), McIntyre (Perth), Schaffner and Sloan.

On motion of Mr. McIntyre (Strathcona), Mr. Greenway was unanimously elected chairman.

Resolved,—That the following mentioned be summoned to give evidence at the next meeting of the committee, viz.: Messrs. E. G. Ambrose, lumber merchant, Pincher Creek, Alta.; John McNicol, managing director, Enterprise Lumber Company, Lethbridge, Alta.; S. Q. O'Brien, lumber merchant, Strathcona, Alta.; D. C. Cameron, lumber manufacturer, Winnipeg, Man.; D. E. Sprague, lumber manufacturer, Winnipeg, Man.; and that the foregoing be required to produce agreements or contracts entered into between them and any manufacturer or association relating to the sale of lumber in the aforesaid provinces. Also price lists and such other documents bearing on the subject.

Resolved,—That Messrs. R. H. Alexander, Secretary of the British Columbia Lumber and Shingle Manufacturers' Association, Vancouver, B.C., and George P. Wells, Secretary Mountain Lumber Manufacturers' Association, Nelson, B.C., be summoned to give evidence at the next meeting of the committee, and be required to produce a copy of the constitution and by-laws of their respective associations, as well as minute books containing resolutions adopted from time to time by the said associations. Also price lists, together with all such other documents relating to the work of the said associations.

Resolved,—That the undermentioned be summoned to give evidence at the next meeting of the committee on behalf of the consumers: Messrs. F. W. Green, Moosejaw, Sask.; A. J. McGuire, Pincher Creek, Alta.; E. E. Taylor, Calgary, Alta.

Resolved,—That the clerk of the committee be instructed to communicate with the secretaries of the undermentioned associations requesting them to send a representative to give evidence at the next meeting of the committee in relation to the matter before the committee for inquiry, viz.: Secretary Alberta Farmers' Association, Ellerslie; Secretary Grain Growers' Association of Saskatchewan, Indian Head, Sask.; Secretary Grain Growers' Association of Manitoba, Winnipeg.

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Resolved,—That all of the foregoing witnesses be summoned for Wednesday, 13th March next, at 10.30 o'clock a.m.

Resolved,—That a recommendation be made to the House for leave to sit while the House is in session.

Resolved,—That the chairman of the committee be authorized to subpoena all persons whose names may be submitted to him by members of the committee.

The committee then adjourned until Wednesday, March 13 next, at 10.30 o'clock a.m.

THOS. GREENWAY,
Chairman.

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WEDNESDAY, March 13, 1907.

The committee met at 10.30 o'clock a.m.

Present: Messrs. Greenway, chairman; Crocket, Fowler, Herron, Knowles, Lancaster, McIntyre (Perth), McIntyre (Strathcona), Schaffner and Sloan.

The minutes of the last meeting were read and confirmed.

Resolved,—That a report be made to the House recommending that the proceedings and evidence taken by the committee be printed from day to day for the use of the members.

CHARLES THOMAS, of Hartney, Manitoba, representative of the Manitoba Grain Growers' Association, was sworn and examined, and ordered to telegraph the manager of the lumber manufacturing company, of which he is a director, to forward without delay letters addressed him last year by the British Columbia lumber manufacturers relating to the increase of price of lumber.

S. Q. O'BRIEN, lumber dealer, Strathcona, Alta., was sworn, examined and discharged.

During the examination the following were produced and marked as exhibits, viz.:—

Exhibit No. 1—Recommended price list No. 15 of the Mountain Lumber Manufacturers' Association, Nelson, B.C.

Exhibit No. 2—Membership list, 'The Western Retail Lumbermen's Association.'

Exhibit No. 3—Lumber price list to take effect on February 1, Edmonton, Alta.

The committee rose at 1 o'clock p.m.

3 o'clock p.m.

The committee resumed.

JOHN McNICOL, managing director 'Enterprise Lumber Company,' Lethbridge, Alta., was sworn, examined and discharged.

During the examination the following were produced:—

Exhibit No. 4—Constitution and By-laws of the Alberta Retail Lumber Dealers' Association.

Exhibit No. 5—Price list, 'The Enterprise Lumber Company.'

The committee then adjourned until to-morrow (Thursday) at 10.30 o'clock a.m.

THOS GREENWAY

APPENDIX No. 6

THURSDAY, March 14, 1907.

The committee met at 10.30 o'clock a.m.

Present: Messrs. Greenway, chairman, Sloan, Knowles, McIntyre (Perth), McIntyre (Strathcona), Fowler, Lancaster, Herron, Schaffner and Crocket.

The minutes of the last meeting were read and confirmed.

Charles Thomas, of Hartney, Man., representative of the Manitoba Grain Growers' Association communicated contents of a telegram received by him from the manager of the lumber company, of which he is a member, stating latter's inability to send required letters of British Columbia lumber manufacturers threatening increase price of lumber.

Resolved,—That Charles Thomas be discharged from further attendance.

A. M. Grogan, Secretary Treasurer, Alberta Retail Lumber Association, Calgary, Alta., was sworn and examined and ordered to produce the papers, &c., called for by the summons issued on 20th ulto.

During the examination the following was filed and marked as exhibit No. 6 'Names of members of the Mountain Lumber Manufacturers' Association.'

F. D. Becker, Manager, Staples Company (Limited), Calgary, Alta., was sworn and examined.

The committee then adjourned until to-morrow, Friday, 15th inst., at eleven o'clock a.m.

THOS. GREENWAY,
Chairman.

FRIDAY, March 15, 1907.

The committee met at 11 o'clock a.m.

Present.—Messrs. Greenway, Chairman; Fowler, Herron, Knowles, Lancaster, McIntyre (Perth), McIntyre (Strathcona), and Sloan.

The minutes of the last meeting were read and confirmed.

Mr. Fowler moved that the request made on behalf of the Mountain Lumber Manufacturers' Association to be represented by counsel be granted. Motion disagreed to.

The examination of A. M. Grogan, secretary-treasurer Alberta Retail Lumber Association, Calgary, Alta., was resumed.

During the examination the following books, letters, &c., of the association were produced, and marked as exhibits, viz.:—

Exhibit No. 7.—Minute book.

Exhibit No. 8.—Cash book

Exhibit No. 9.—Report of F. D. Becker, dated 18th August, 1906, of meeting of the Mountain Lumber Manufacturers' Association held in Nelson, B.C.

Exhibit No. 10.—List of members of the Alberta Retail Lumber Association corrected to January 23, 1907,

Exhibit No. 11.—Letter from *Rice Road* Lumber Company, Limited, to secretary
9th October, 1906, acknowledging receipt

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of corrected list of dealers in Alberta, also inquiring whether C. R. Fitness, of Edmonton, should be on list.

Exhibit No. 12.—Letter from secretary Alberta Retail Lumber Association stating in reply to foregoing that C. R. Fitness is not a member of the association.

Exhibit No. 13.—Application of Vegreville Lumber Company for membership in Alberta Retail Lumber Association.

Exhibit No. 14.—Application of Anna B. Hoaglin for membership in Alberta Retail Lumber Association.

Exhibit No. 15.—Letter from secretary Alberta Retail Lumber Association, Carstairs Lumber Company, dated 16th June, 1906, stating he was informed by manager of Breckenridge Company that letter quoted full retail prices at Calgary.

Exhibit No. 16.—Letter from secretary Alberta Retail Lumber Association to Columbia River Lumber Company, Golden, B.C., dated 28th August, 1906, acknowledging receipt of a copy of letter advising Messrs. Gordon & Gordon to join association.

Exhibit No. 17.—Letters (6) Claresholm Lumber and Grain Company, Limited, to secretary Alberta Retail Lumber Association and Enterprise Lumber Company, stabling and feeding horses of customers that deal with said company.

Exhibit No. 18.—Letter from secretary Alberta Retail Lumber Association to W. Brown, Gleichen, Alta., dated 13th July, 1906, inclosing blank price lists and stating he is not required to send association his price lists.

Exhibit No. 19.—Letter from Staples & Co., Limited, to secretary Alberta Retail Lumber Association, dated 12th December, 1906, reports as to inadvisability of association permitting F. A. Lacknar to put in a lumber yard at Didsbury, Alta.

Exhibit No. 20.—Letter from Staples & Co., Limited, to secretary Alberta Retail Lumber Association, dated 13th September, 1906, reporting Elk Lumber Company are still shipping lumber to consumers.

Exhibit No. 21.—Letter from secretary Alberta Retail Lumber Association to C. Hiebert, Didsbury, dated 23rd May, 1906, communicating Art. 3rd, Sec. 1, of constitution of the association *re* Alberta Portland Cement Company of Calgary, starting a lumber yard.

Exhibit No. 22.—Application of Reid Bros. for membership in Alberta Retail Lumber Association.

Examination of Mr. Grogan was adjourned.

F. D. Becker, manager Staples Company, Limited, Calgary, Alta., was further examined.

The Committee rose at one o'clock p.m.

3.30 o'clock p.m.

The committee resumed.

Resolved, That F. D. Becker and A. M. Grogan be discharged from further attendance.

H. O. Partridge, of Sintaluta, Sask., representative of the Saskatchewan Grain Growers' Association, was sworn and examined in part.

The committee then adjourned until Monday next, 18th instant, at 11 o'clock a.m.

THOS. GREENWAY,
Chairman

APPENDIX No. 6

MONDAY, March 18, 1907.

The Committee met at eleven o'clock a.m.

Present:—Messrs. Greenway, chairman, Fowler, Herron, Knowles, McIntyre (Perth), McIntyre (Strathcona), Schaffner and Sloan.

The minutes of the last meeting were considered as read and confirmed.

H. O. Partridge, of Sintaluta, Sask., representative of the Saskatchewan Grain Growers' Association, was discharged from further attendance.

Mr. Partridge produced the following paper, which was filed:—

Exhibit No. 23—Resolution adopted by the above mentioned association at a meeting held in Regina.

F. W. GREEN, Moosejaw, Saskatchewan, was sworn, examined and discharged.

During his examination the following price lists and vouchers were produced and marked, viz.:—

Exhibit No. 24—Price list of the Independent Lumber Co.

Exhibit No. 25—Price list of the Beaver Lumber Co., Limited., Regina.

Exhibit No. 26.—Same as Exhibit No. 24.

Exhibit No. 27.—Price list of the Independent Lumber Co.

Exhibit No. 28—Voucher F. W. Green in account with Woodley & Sharp, dated August 11, 1905.

Exhibit No. 29—Voucher F. W. Green in account with Pioneer Lumber & Implement Co., Limited, Moosejaw, dated December 1, 1906.

Exhibit No. 30—Voucher F. W. Green in account with E. Simpson & Co., dated October 31, 1903.

Exhibit No. 31—Same as foregoing, dated December 31, 1903.

Exhibit No. 32.—Same as foregoing, dated August 31, 1904.

Exhibit No. 33—Voucher F. W. Green in account with H. McDougall, dated April 11, 1894.

ED. FEARRON, Maple Creek, Saskatchewan, was sworn, examined and discharged.

Exhibit No. 34—Price list of lumber sold in Maple Creek, March 13, 1907.

Resolved, that the undermentioned be summoned to give evidence before the committee, and that their attendance date as from the 13th inst., viz.:—

John Kendall, Vancouver, B.C.; T. Ludgate, Arrowhead, B.C.; P. Lund, Wardner, B.C.; A. E. Watts, Wattsburg, B.C.

JOHN KENDALL, chartered accountant, Vancouver, was sworn, examined and produced the following statements:—

Exhibit No. 35—Statement showing total cost of production of lumber by the Mountain Lumber Co.

4 o'clock p.m.

The committee resumed.

The examination of J. Kendall was resumed.

The following statements were filed.

Exhibit No. 36—Statement of the Coast Lumber Company's mills, showing average selling price of lumber in 1905, also cost of production. 2. Statements of Mountain Lumber Co., showing cost of production of lumber for years 1905 and 1906.

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Exhibit No. 37.—Monthly pay-roll of Mountain Lumber Co., November, 1904, and 1906.

Resolved, that J. Kendall be discharged from further attendance.

The committee then adjourned until to-morrow (Tuesday) 19th inst. at 10.30 o'clock a.m.

THOS. GREENWAY,
Chairman.

TUESDAY, March 19, 1907.

The committee met at 10.30 o'clock, a.m.

Present: Messrs. Greenway (chairman), Fowler, Herron, Knowles, Lancaster, McIntyre (Perth), McIntyre (Strathcona), Schaffner and Sloan.

The minutes of the last meeting were read and confirmed.

Resolved, That the application made by John Kendall, chartered accountant, Vancouver, B.C., requesting to be paid a fee in addition to the ordinary travelling and living expenses usually allowed witnesses be not entertained.

George P. Wells, secretary Mountain Lumber Manufacturers' Association, Nelson, B.C., was sworn and examined.

During the examination the following papers were filed:—

Exhibit No. 38.—Memo. stating purposes and objects of the Mountain Lumber Manufacturers' Association.

Exhibit No. 39.—Proposed constitution and by-laws of the foregoing association.

Exhibition No. 40.—Minutes of proceedings of a meeting of above association held at Nelson, B.C., January 8, 1906.

Exhibit No. 41.—Minutes of proceedings of foregoing association held at Nelson, February 28, 1906.

Exhibit No. 42.—Circular letter, dated February 12, 1906, addressed members of the association *re* prices to be charged for scantling and dimension lumber.

Exhibit No. 43.—Circular letter, dated April 9, 1906, *re* advisability of advancing prices of lumber, also inclosing blank forms to be filled in.

The committee rose at 1 o'clock, p.m.

4 o'clock p.m.

The committee resumed.

The examination of George P. Wells continued, and the following papers, &c., produced.

Exhibit No. 44.—Statement showing average shipments from Mountain Mills, consisting of lumber only partially dried and often containing lumber direct from the saw.

Exhibit No. 45.—Minute book of the Mountain Manufacturers' Association.

The examination of Mr. Wells was adjourned.

E. H. Heaps, Vancouver, B.C., was sworn, examined and relieved of further attendance.

The committee then adjourned until to-morrow (Wednesday) 20th inst., at 11 o'clock, a.m.

THOS. GREENWAY,
Chairman.

APPENDIX No. 6

WEDNESDAY, March 20, 1907.

The committee met at eleven o'clock, a.m.

Present: Messrs. Greenway (chairman), Fowler, Herron, Knowles, Lancaster, McIntyre (Perth), McIntyre (Strathcona), Schaffner and Sloan.

The minutes of the last meeting were considered as read, and confirmed.

The examination of Geo. P. Wells, secretary, Mountain Lumber Manufacturers' Association was resumed.

The following circular letters addressed from time to time by the aforesaid secretary to manufacturers, members of the association, were produced, viz.:—

Exhibit No. 46.—Urging necessity for turning down all inducements to sell below price list.

Exhibit No. 47.—Dated October 9, 1906, inclosing additional list of members of the Western Retail Lumbermen's Association.

Exhibit No. 48.—Inclosing corrected price list showing prices of lumber.

Exhibit No. 49.—Stating that Coast Association cannot see their way to raise price of mouldings to a par with recent advance of 40 per cent off.

Exhibit No. 50.—Communicating resolution adopted at a meeting of the directors of the Alberta Retail Dealers' Association.

Exhibit No. 51.—Dated February 1, 1906, suggesting that members of association put up bold front in the matter of prices.

Exhibit No. 52.—Stating that orders placed through him will be given whatever preference is possible by the shipper.

Exhibit No. 53.—Dated December 5, 1906, communicating resolution adopted at a meeting of the local dealers at Edmonton on November 29, 1906, relative to contemplated raise in prices of lumber.

Exhibit No. 54.—Directing attention of members of the association that all payments must be at par at their office.

Exhibit No. 55.—Dated October 15, 1906, inclosing copies of price list for members of the association only, also copies of new tariff to all Canadian Northern stations.

The committee rose at 1 o'clock, p.m.

2.30 o'clock p.m.

The committee resumed.

The examination of Mr. Wells was continued.

E. H. Heaps, Vancouver, B.C., was recalled, sworn and further examined.

Thomas Wilkinson, Regina, Sask., sworn and examined in part.

The following letters were produced:—

Exhibit No. 56.—Letter from secretary Western Retail Lumbermen's Association, dated November 22, 1902, declining to entertain application of Thos. Wilkinson for membership in association.

Exhibit No. 57.—Letter from secretary Harrison River Mills Timber and Trading Co., Ltd., dated December 16, 1902, to Thos. Wilkinson, regretting inability to sell latter lumber.

Resolved, That the following mentioned be summoned and required to appear to give evidence before the committee on Wednesday, the 3rd day of April next, viz.: W. U. Wade, Ninga, Man.; Isaac Cockburn, Winnipeg, Man.; J. A. Thompson, Winnipeg, Man., and that Isaac Cockburn be required to bring with him and produce all

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letters, books, by-laws of the Western Retail Lumbermen's Association; and all such other documents in any way relating to the matter under consideration; and that J. A. Thompson be required to produce all letters, books, and all such other documents bearing on the subject.

The committee then adjourned until to-morrow (Thursday) 21st inst., at eleven o'clock, a.m.

THOS. GREENWAY,
Chairman.

THURSDAY, March 21, 1907.

The committee met at eleven o'clock, a.m.

Present: Messrs. Greenway (chairman), Crocket, Galliher, Fowler, Herron, Knowles, Lancaster, McIntyre (Perth), McIntyre (Strathcona) Schaffner and Sloan.

The minutes of the last meeting were considered as read and confirmed.

The examination of Thomas Wilkinson, Regina, Sask., was resumed.

The following papers were filed and marked as exhibits:—

Exhibit No. 58.—Letter from secretary of the Western Canada Lumber Manufacturers' Association to active members thereof, communicating matters discussed at the convention affecting the lumber trade in Manitoba.

Exhibit No. 59.—Invoice dated February 18, 1907, T. Wilkinson in account with M. Robson, for lumber purchased by former for corporation of Regina.

Exhibit No. 60.—Samples of 4-inch flooring bought by T. Wilkinson from Mountain Lumber Manufacturers.

Exhibit No. 61.—Letter dated January 16, 1904, from Central Pacific Lumber Co., Ltd., to T. Wilkinson, *re Michaelies*, and stating that committee interviewed parties who are supplying him and that they promised to quit as soon as the present bills were filled.

Exhibit No. 62.—Letter from Central Pacific Lumber Co., Ltd., to T. Wilkinson, intimating to latter that he will be protected.

Exhibit No. 63.—Telegram from T. Wilkinson to J. A. Thompson, dated February 24, 1904, stating that Marling went through Pense 21st inst.

The committee rose at 1 o'clock, p.m.

3.30 o'clock p.m.

The committee resumed.

The examination of Mr. Wilkinson resumed and concluded.

George P. Wells, secretary Mountain Lumber Manufacturers' Association, Nelson, B.C., was recalled and further examined.

Resolved, That Messrs. E. H. Heaps, Geo. P. Wells and Thos. Wilkinson be discharged from further attendance.

T. Ludgate, lumber manufacturer, Arrowhead, B.C., was sworn and examined in part.

The committee then adjourned until to-morrow (Friday), 22nd inst., at eleven o'clock, a.m.

THOS. GREENWAY,

APPENDIX No. 6

FRIDAY, March 22, 1907.

The committee met at eleven o'clock, a.m.

Present.—Messrs. Greenway, Chairman; Fowler, Galliher, Herron, Knowles, Lancaster, McIntyre, (Strathcona) and Schaffner.

The minutes of the last meeting were read and confirmed.

The examination of Thos. Ludgate was resumed and concluded. He was discharged from further attendance.

P. Lund, Managing Director of the Crow's Nest Pass Lumber Co., Lim., Wardner, B. C., was sworn and examined.

The following paper was read and marked.

Exhibit No. 64: Statement outlining conditions relative to the manufacture of lumber as they existed from the days of the construction of the Crow's Nest Pass Railway up to the present time. The committee rose at one o'clock.

3.30 o'clock, p.m.

The committee resumed.

The examination of Mr. Lund was resumed and concluded.

The following statements were produced and marked:—

Exhibit No. 65—Statement of wages paid in sawmill. Day shift.

Exhibit No. 66.—Grades and percentages of material handled during the year 1906, by the Crow's Nest Pass Lumber Co., Lim.

Mr. Lund was discharged from further attendance.

L. A. Lewis, New Westminster, B.C., Manager Brunette Saw Mills, Lim., was sworn and examined in part and placed in the possession of the committee minute books (4) and price lists of the British Columbia Lumber and Shingle Manufacturers' association called for by the summons issued the secretary of the above association, also the following, viz.:

Exhibit No. 66½.—Protest against any examination into the details of his private business as a dealer of lumber and giving reasons therefor.

Exhibit No. 67.—Statement re prices received for lumber in New Westminster and district compared with car trade.

Exhibit No. 68.—Letter from the Fraser River Saw Mills, Lim., Millside, B.C., to L. A. Lewis, dated 11th March, 1907, replying to inquiry made as to why writer will not help latter in respect of rail shipments.

Exhibit No. 69.—Letter from Manager Victoria Lumber & Manufacturing Co., to L. A. Lewis, dated 6th March, 1907, certifying that they are selling lumber for export at \$18 basis 'E' list.

Exhibit No. 70.—Price List 'E' published for the purpose of furnishing a standard for the relative values of different grades and dimensions and a basis for the quotation of prices.

Exhibit No. 71.—Copies of invoices of logs sold by Patterson Timber Company, dated 7th March, 1907.

Exhibit No. 72.—Statement showing price at which ten booms of logs were sold by the International Logging Co. in 1906.

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Exhibit No. 73.—Price lists (6) of Washington Logging & Brokerage Co., Seattle, Wash.

Resolved, that the minute books produced by the British Columbia Lumber and Shingle Manufacturers' Association be open to the inspection of the owners and members of the committee only.

Mr. Lewis' examination was adjourned.

The committee adjourned until Monday the 25th inst., at eleven o'clock, a.m.

THOS. GREENWAY,
Chairman.

MONDAY, March 25, 1907.

The committee met at eleven o'clock, a.m.

Present:—Messrs. Greenway, chairman; Fowler, Galliher, Herron, Lancaster, McIntyre (Strathcona), Schaffner and Sloan.

The minutes of the last meeting were read and confirmed.

The chairman at the request of A. E. Watts read a telegram, Exhibit No. 74, dated 23rd inst., from D. B. Dulmage, Cranbrook, B.C., asking that the statement made by Thos. Wilkinson, Regina, that he bought from them last summer although not a dealer, be contradicted.

The examination of L. A. Lewis, New Westminster, was resumed, and the following statements were produced by him:

Exhibit No. 75.—Statement showing comparison of wages paid by Brunette Lumber Company in 1905, 1906 and 1907.

Exhibit No. 76.—Statement showing comparison of wages paid in June, 1906 and 1907, by Patterson Timber Company's logging camps.

Further examination of Mr. Lewis deferred till next meeting.

J. S. Emerson, Vancouver, B.C., was sworn and examined.

The committee rose at one o'clock, p.m.

3.30 o'clock, p.m.

The committee resumed.

The examination of Mr. Emerson was resumed and adjourned.

William Robinson, Winnipeg, Man., was sworn, examined and discharged from further attendance.

Douglas C. Cameron, manufacturer of lumber, Winnipeg, Man., was sworn and examined.

During his examination the following was filed and marked:

Exhibit No. 77.—Memo. of average prices realized for lumber by the Rat Portage Lumber Company, Limited, during the years 1894 to 1906.

The committee rose at 6 o'clock, p.m.

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8 o'clock, p.m.

The committee resumed.

The examination of Mr. Cameron was resumed.

The following statements were produced and marked.

Exhibit No. 78.—Partial list of dealers who were not members of the association, to whom the Rat Portage Lumber Company sold lumber during the past six or seven years.

Exhibit No. 79.—Statement of sales and outstanding accounts for the years 1895 to 1906, inclusive, as at November 30, in each year.

Resolved, That D. E. Sprague, lumber manufacturer, Winnipeg, who has been in attendance as a witness before the committee, be hereby authorized to go to Winnipeg and bring back with him all letters, books, constitution and by-laws of the Western Retail Lumbermen's Association, and all such other documents in any way relating to the matter under consideration, and that he be paid his travelling expenses to and from Winnipeg.

The committee then adjourned until to-morrow (Tuesday), 26th inst., at 10.30 o'clock, a.m.

THOS. GREENWAY,
Chairman.

TUESDAY, March 26, 1907.

The committee met at 10.30 o'clock, a.m.

Present: Messrs. Greenway, Chairman; Fowler, Galliher, Herron, Lancaster, McIntyre (Strathcona), Schaffner, and Sloan.

The minutes of the last meeting were considered as read, and confirmed.

Resolved.—That the Clerk of the Committee be hereby instructed to wire Joseph Buch, of Vancouver, B.C., requesting latter to forward without delay, for the information of the committee, a copy of the constitution and by-laws of the British Columbia Loggers' Association.

W. B. Bashford, lumber dealer, Rosthern, Man., was sworn, examined and discharged from further attendance.

A. J. Bell, lumber manufacturer, Prince Albert, Sask., was sworn, examined and discharged from further attendance.

The following price lists were produced by him, viz.:—

Exhibit No. 80.—Wholesale and retail price lists of the Sturgeon Lake Lumber Company, Prince Albert.

J. K. Robson, retail dealer, Treherne, Man., was sworn and examined in part, and read the following statement, which was filed and marked Exhibit No. 81; submitting facts concerning the lumber trade and retail prices which have obtained from time to time during the past thirty years.

Exhibit No. 82 was also produced by him, being a copy of the constitution and by-laws of the Western Retail Lumbermen's Association, as adopted and confirmed on the 18th and 19th January, 1905.

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Resolved,—That Messrs. L. A. Lewis, D. C. Cameron and J. S. Emerson be relieved from further attendance.

Resolved,—That the Clerk of the Committee obtain from the Department of Interior a copy of the form of lease of timber limits.

Resolved,—That the undermentioned lumber dealers be summoned and required to appear and give evidence before the committee on Thursday, 4th April next, at 10.30 o'clock, a.m., viz.:—W. A. Greer, Oxbow, Sask, and J. E. Parrott, Saltecoats, Sask., and that they be required to bring with them and produce the latest wholesale and retail price lists, together with such other documents as they may have in relation to the matter under consideration.

The committee then adjourned until to-morrow, Wednesday, 27th inst., at 10 o'clock, a.m.

THOS. GREENWAY,
Chairman.

WEDNESDAY, March 27, 1907.

The committee met at 10 o'clock a.m.

Present: Messrs. Greenway, chairman; Galliher, Herron, Lancaster, McIntyre (Strathcona), Schaffner and Sloan.

The minutes of the last meeting were read and confirmed.

The examination of Mr. Robson was resumed and concluded, and it was

Ordered,—That he be discharged from further attendance.

The following were filed and marked:—

Exhibit No. 83.—Letters (13) addressed Geo. M. Yeomans, of Alexander, Manitoba, by E. H. Heaps and others, intimating their inability to sell former lumber unless he secures membership in Western Retail Lumbermen's Association.

A. E. Watts, lumber manufacturer, Wattsburg, British Columbia, was sworn and examined.

During his examination the following was filed and marked:—

Exhibit No. 84.—Compilation from invoices of shipments to retail dealers by the Wattsburg Lumber Company, showing the weights per 1,000 feet for lumber.

The committee rose at 12.30 o'clock.

4 o'clock p.m.

The committee resumed.

The examination of Mr. Watts was resumed; concluded, and it was

Ordered,—That he be discharged from further attendance.

The committee then adjourned until Tuesday next, the 2nd April, at 3.30 o'clock p.m.

THOS. GREENWAY,
Chairman.

TUESDAY, April 2, 1907.

The meeting called for this day was, owing to there not being a quorum present, adjourned until to-morrow, Wednesday, 3rd inst., at 10.30 o'clock a.m.

THOS. GREENWAY,
Chairman.

WEDNESDAY, April 3, 1907.

The committee met at 10.30 o'clock a.m.

Present—Messrs. Greenway (chairman), Crocket, Fowler, Herron, Knowles, Lancaster, McIntyre (Perth), McIntyre (Strathcona), Schaffner and Sloan.

The minutes of the last meeting were read and confirmed.

A. J. McGuire, Pincher Creek, Alta., was sworn and examined.

The committee rose at 1 o'clock p.m.

3.30 o'clock, p.m.

The committee resumed.

The examination of Mr. McGuire was concluded, and he was relieved from further attendance.

E. E. Taylor, Calgary, Alta., was sworn and examined.

During his examination the following were submitted and marked:—

Exhibit No. 85.—Letter from James Degnen to E. E. Taylor, dated February 16, 1907, giving price of logs during 1903, 1904, 1905, 1906.

Exhibit No. 86.—Letter from Ladysmith Lumber Co., Lim., to E. E. Taylor, dated June 14, 1904, stating they have had the first protest from the association in Bowden, and suggesting that no more lumber be sold at that place.

The examination of Mr. Taylor was postponed.

The committee then adjourned until to-morrow (Thursday), 4th inst.

THOS. GREENWAY,
Chairman.

THURSDAY, April 4, 1907.

The committee met at eleven o'clock a.m.

Present,—Messrs. Greenway, chairman, Crocket, Galliher, Herron, Knowles, McIntyre (Strathcona), Schaffner and Sloan.

The minutes of the last meeting were read and confirmed.

The examination of Mr. Taylor was resumed and the following letters were produced by him and marked:

Exhibit No. 87.—Catalogue adopted by the sash and door factories' branch as the official catalogue of the British Columbia Lumber and Shingle Manufacturers' Association.

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Exhibit No. 88.—Special freight tariff of Canadian Pacific Railway (western lines) on lumber, lath and shingles.

Exhibit No. 89.—Letter from secretary Alberta Building Co., Limited, to E. E. Taylor, dated March 4, 1907, stating that since combination of lumbermen has gone into effect there has been an advance in price of lumber every week during the past year.

Exhibit No. 90.—Letter from the Rothesay Lumber Co. to E. E. Taylor, dated July 7, 1905, requesting fuller particulars *re* matter of selling combine for British Columbia mills in Northwest Territories, referred to in accompanying clipping.

Exhibit 91.—Letter from E. E. Taylor to Rothesay Lumber Co., dated July 11, 1905, in reply to foregoing.

Exhibit No. 92.—Letter from manager Ladysmith Lumber Co., Ltd., to E. E. Taylor, dated April 11, 1904, relative to cut in price of lumber.

Exhibit No. 93.—Letter from Ladysmith Lumber Co. to E. E. Taylor, dated January 9, 1905, enclosing revised price list adopted by all mills including both the Mountain and the Coast mills.

Exhibit No. 94.—Letter from Ladysmith Lumber Co. to E. E. Taylor, dated September 22, 1905, stating that they have sent in their tender but were assured that order goes through Cushing Bros.

Exhibit No. 95.—Letter from Ladysmith Lumber Co. to E. E. Taylor, dated September 5, 1905, enclosing copy of J. A. McKenzie's letter *re* prices on order sent.

Exhibit No. 96.—Letter from Ladysmith Lumber Co. to E. E. Taylor, dated August 1, 1905, stating they cannot sell less than price list.

Exhibit No. 97.—Letter from E. E. Taylor to Ladysmith Lumber Co., dated August 8, 1905, stating he has signed statutory declaration and forwarded same to Mr. Alexander.

The examination of Mr. Taylor concluded and he was discharged from further attendance.

E. G. Ambrose, Pincher Creek, Alta., was sworn, examined and discharged.

J. E. Parrott, Saltcoats, Sask., was sworn, examined and discharged.

Exhibit No. 98.—Price list of lumber sold by retail lumber dealers in Saltcoats.

The committee rose at 1 o'clock p.m.

3.30 o'clock, p.m.

The committee resumed.

W. U. Wade, Ninga, Man., was sworn, examined and discharged.

Exhibit No. 99.—Constitution and by-laws of the Western Retail Lumbermen's Association revised to February 15, 1895.

Exhibit No. 100.—List of members of 'The Western Retail Lumbermens' Association,' revised to July 15, 1901.

W. A. Greer, Oxbow, Sask., was sworn, examined and discharged.

Resolved,—That upon the termination of the enquiry the clerk of the committee be authorized to return to the owners all letters, minute books, &c. produced by them.

The committee then adjourned until Monday next the 8th inst. at 3.30 o'clock, p.m.

THOS. GREENWAY,
Chairman.

APPENDIX No. 6

MONDAY, April 8, 1907.

The committee met at 3.30, p.m.

Present : Messrs. Greenway (chairman), Galliher, Herron McIntyre (Perth), McIntyre (Strathcona) and Schaffner.

The minutes of the last meeting were confirmed.

Resolved,—That the committee adjourns until Wednesday, 10th inst., at 10.30 a.m., with a view of enabling members of the committee to examine the books, &c., of the Western Retail Lumbermen's Association, which Mr. Cockburn was required to bring with him and produce.

THOS. GREENWAY,
Chairman.

WEDNESDAY, April 10, 1907.

The committee met at 10.30 a.m.

Present : Messrs. Greenway (chairman), Herron, Knowles, Lancaster, McIntyre (Strathcona), Schaffner and Sloan—7.

The minutes of the last meeting were confirmed.

Mr. J. A. Thompson, retail lumber dealer, Winnipeg, Man., was sworn and examined in part. During his examination the following letters were filed, viz.:—

Exhibit No. 101.—February 6, 1907, from Imperial Elevator Co. to I. Cockburn, secretary R.L.A.

Exhibit No. 102.—Dated June 11, 1906, from Imperial Elevator Co. to I. Cockburn, secretary R.L.A.

Exhibit No. 103.—Dated May 25, 1906, from Imperial Elevator Co. to I. Cockburn, secretary R.L.A.

Exhibit No. 104.—Dated March 27, 1906, from Imperial Elevator Co. to I. Cockburn, secretary R.L.A.

Exhibit No. 105.—Dated February 23, 1906, from Alameda Farmers' Elevator and Trading Co. to I. Cockburn, secretary R.L.A.

Exhibit No. 106.—Dated February 27, 1906, from T. L. Arnett to I. Cockburn, secretary R.L.A.

Exhibit No. 107.—Dated June 11, 1906, from I. Cockburn, secretary R.L.A., to J. Mergens, Weyburn.

Exhibit No. 108.—Dated August 15, 1906, from Hughes & Co., Brandon, to I. Cockburn, secretary R.L.A.

Exhibit No. 109.—Dated July 24, 1906, from secretary R.L.A. to secretary Mountain Lumber Manufacturers' Association.

Exhibit No. 110.—Dated June 18, 1906, from secretary Mountain Lumber Manufacturers' Association to I. Cockburn.

Exhibit No. 111.—Dated June 21, 1906, from secretary R.L.A. to secretary Mountain Lumber Manufacturers' Association.

The committee adjourned till to-morrow at 10.30 a.m.

THOS. GREENWAY,
Chairman.

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THURSDAY, April 11, 1907.

The committee met at 10.30 a.m.

Present.—Messrs. Greenway (chairman), Galliher, Herron, Lancaster, McIntyre, (Perth), McIntyre (Strathcona) and Schaffner.—7.

Mr. J. A. Thompson was discharged from further attendance.

Mr. Isaac Cockburn, ex-secretary-treasurer, Western Retail Lumbermen's Association, Winnipeg, Man., was sworn and examined in part.

During his examination the following exhibits were filed :—

Exhibit No. 112.—Letter, March 8, 1907, Secretary, W.R.L.A. to J. C. Chamberlain, Enderlin, N.D.

Exhibit No. 113.—Letter, March 25, 1907, Export Lumber and Shingle Co., Limited, Vancouver, to Isaac Cockburn.

Exhibit No. 114.—Letter, Secretary-Treasurer W. R. L. A., to W. V. Stephenson, Harding.

Exhibit No. 115.—List, Lumbermen's Mutual Fire Insurance Co.

Exhibit No. 116.—Letter, September 17, 1906, Secretary-Treasurer, W.R.L.A., to Lee & McAlister, Marshall, Sask.

Exhibit No. 117.—Letter, July 13, 1906, Secretary-Treasurer, W.R.L.A., to L. McAlister, Didsbury, Sask.

Exhibit No. 118.—Letter, December 28, 1905, A. W. Reimer to Isaac Cockburn.

Exhibit No. 119.—Letter, March 26, 1907, Secretary-Treasurer. W.R.L.A., to Lambert & Earle, Elkhorn, Man.

Exhibit No. 120.—Letter, May 26, 1906, J. Mergens to Isaac Cockburn.

Exhibit No. 121.—Letter May 29, 1906, Secretary-Treasurer, W.R.L.A., to J. Mergens, Weyburn, Sask.

Exhibit No. 122.—Letter, September 17, 1906, Secretary-Treasurer, W.R.L.A., to John Wake, Minnedosa, Man.

Exhibit No. 123.—Letter, November 13, 1905, Rat Portage Lumber Co. to I Cockburn.

Exhibit No. 124.—Letter, November 18, 1905, Rat Portage Lumber Co. to I Cockburn.

Exhibit No. 125.—Letter, November 6, 1905, Rat Portage Lumber Co. to Isaac Cockburn.

Exhibit No. 126.—Letter, March 18, 1907, I Cockburn to W. M. Carment, Kamsack, Sask.

Exhibit No. 127.—Letter, March 8, 1907, I Cockburn to W. M. Carmen, Kamsack, Sask.

Exhibit No. 128.—Letter, February 4, 1907, I. Cockburn to Geo. Smiley and Son, Manor, Sask.

Exhibit No. 129.—Letter, February 11, 1906, W. E. Kock to I. Cockburn.

Exhibit No. 130.—Letter, March 9, 1906, Chicago Coal and Lumber Co., to I. Cockburn.

Exhibit No. 131.—Resolution adopted at annual meeting of W.R.L. Association, at Calgary, March 15, 1904.

Exhibit No. 132.—Resolution adopted at annual meeting of W.R.L. Association, at Calgary, March 15, 1904.

Exhibit No. 133.—Resolution adopted at annual meeting of W.R.L. Association, at Calgary, March 15, 1904.

Exhibit No. 134.—Letter, April 10, 1906, G. P. Wells to I. Cockburn.

Exhibit No. 135.—Letter, June 21, 1906, I. Cockburn to G. P. Wells.

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Exhibit No. 136.—Letter, June 15, 1906, I. Cockburn to G. P. Wells, Nelson.
Exhibit No. 137.—Letter, July 9, 1906, G. P. Wells to I. Cockburn.

The committee adjourned until to-morrow at 10.30 a.m.

THOS. GREENWAY.
Chairman.

FRIDAY, April 12, 1907.

The committee met at 10.30 a.m.

Present—Messrs. Greenway (chairman), Fowler, Herron, Lancaster, McIntyre (Perth), Schaffner and Sloan.—7.

After some discussion the committee adjourned until 3.30 p.m.

At 3.30 p.m., the committee resumed.

The examination of Mr. Isaac Cockburn was continued.

During his examination the following exhibits were filed:—

Exhibit No. 138.—Letter, May 10, 1906, I. Cockburn to W. H. McWilliams.
Exhibit No. 139.—Letter, May 30, 1906, E. J. Meilicke to I. Cockburn.
Exhibit No. 140.—Letter, May 8, 1906, W. H. McWilliams to I. Cockburn.
Exhibit No. 141.—Letter, May 11, 1906, W. H. McWilliams to I. Cockburn.
Exhibit No. 142.—Letter, June 3, 1906, I. Cockburn to E. J. Meilicke.
Exhibit No. 143.—Letter, June 9, 1906, Hughes & Co. to I. Cockburn.
Exhibit No. 144.—Letter, June 26, 1906, Hughes & Co. to I. Cockburn.
Exhibit No. 145.—Letter, Hanbury Manufacturing Co. to I. Cockburn.
Exhibit No. 146.—Letter, June 5, 1906, Gillespie Lumber Co. to I. Cockburn.
Exhibit No. 147.—Letter, I. Cockburn to Gillespie Lumber Co.
Exhibit No. 148.—Letter, June 12, 1906, Gillespie Lumber Co. to I. Cockburn.
Exhibit No. 149.—Letter, July 11, 1906, I. Cockburn to Gillespie Lumber Co.
Exhibit No. 150.—Letter, July 14, 1906, Gillespie Lumber Co. to I. Cockburn.
Exhibit No. 151.—Letter, Nov. 11, 1905, J. H. Forman to I. Cockburn.
Exhibit No. 152.—Letter, Dec 14, 1905, J. H. Forman to I. Cockburn.
Exhibit No. 153.—Letter, Dec. 13, 1905, Peter McLaren to I. Cockburn.
Exhibit No. 154.—Letter, Dec. 15, 1905, I. Cockburn to Peter McLaren.
Exhibit No. 155.—Telegram, May 30, 1906, H. E. Meickle (Meilicke) to Cockburn.

The examination of Mr. Cockburn was concluded.

The committee adjourned until Tuesday, 16th inst., 11 a.m.

TUESDAY, April 16, 1907.

The meeting called for this a.m. was, owing to there not being a quorum present, postponed until three o'clock this p.m.

The committee met at 3 o'clock, p.m.

Present :—Messrs. Greenway, chairman, Crocket, Herron, Knowles, Lancaster and Sloan.

The minutes of the last meeting were read and confirmed. D. E. Sprague, lumber manufacturer, Winnipeg, Man., was sworn and examined.

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During his examination the following papers were produced and marked :—

Exhibit No. 156.—Statement giving reasons for the increase in price of lumber in the northwestern provinces.

Exhibit No. 157.—Price list (4) of lumber sold in Winnipeg during the years 1904, 1905, 1906 and 1907.

The committee rose at 5.30 o'clock, p.m.

The committee resumed at 8 o'clock, p.m.

The examination of Mr. Sprague was continued.

Exhibit No. 158.—Correspondence published in the *Manitoba Free Press*, dated January 8, 1904, between the vice-president of the Canadian Pacific Railway Company and lumbermen relative to the high prices charged for lumber.

Exhibit No. 159.—Letter (copy) from D. E. Sprague to Hon. Mr. Fielding, dated December 13, 1905, relative to the wholesale prices charged for lumber in Manitoba.

Exhibit No. 160.—Wholesale price list of lumber sold by the Grand Forks Lumber Co., Rainy River Lumber Co., and the North Star Lumber Co., Minneapolis.

Exhibit No. 161.—Memo. suggesting method of preventing the retail dealer from exacting exorbitant profits from consumer throughout the west.

Resolved, That Messrs. Sprague and Cockburn be discharged from further attendance.

T. A. Burrows, M.P., was sworn, examined and discharged.

The following letters were filed and marked :—

Exhibit No. 162.—Letter from T. A. Burrows, M.P., to chairman of the committee, dated April 16, 1907, stating there has never been any association formed in his territory in connection with the spruce lumber business.

Exhibit No. 163.—Letter from William Robinson to chairman of the committee, dated 3 April, 1907, inclosing statement showing average price of lumber sold by him.

Resolved, That a sub-committee, composed of the chairman and Messrs. Lancaster and Sloan, be appointed to draft a report.

The committee then adjourned to the call of the chair.

THOS. GREENWAY,
Chairman.

WEDNESDAY, April 17, 1907.

The committee met at 4 o'clock p.m.

Present.—Messrs. Greenway, chairman, Herron, Knowles, Lancaster, McIntyre (Perth), and Sloan.

The minutes of the last meeting were read and confirmed.

The sub-committee appointed at the last meeting to draft a report to the House on the matters contained in the Order of Reference of February 6 last, submitted the following draft report, viz. :—

APPENDIX No. 6

Draft Report of Sub-committee.

The Select Committee appointed for the purpose of inquiring into the prices charged for lumber in the provinces of Manitoba, Alberta and Saskatchewan beg leave to present the following as their third report :—

Your committee have, during the course of their inquiry, held some thirty sittings and examined thirty-two witnesses, and have had a large number of books, letters, price lists and other papers and documents laid before them as exhibits which, together with the minutes of their proceedings from the 19th February last, and the evidence taken by them, are herewith submitted for the information of the House.

Your committee are of the opinion that the prices charged for lumber to consumers in the provinces referred to are excessive.

Your committee find that there has existed for some years past and still exists an association known as 'The Western Retail Lumbermen's Association.' This association included all three provinces until recently when the dealers of Alberta formed a similar association of their own called 'The Alberta Retail Lumber Dealers' Association.' These two associations amount, in the opinion of your committee to a combination, and the objects and results of the operations of these two associations have been to unduly enhance the said prices as appears from the price lists themselves and the by-laws, minute books and correspondence and evidence of witnesses in regard to the said operations.

Your committee also find that more recently the manufacturers formed associations known as 'The British Columbia Lumber and Shingle Manufacturers' Association' and 'The Mountain Lumber Manufacturers' Association,' which, in the opinion of the committee, amount to a combination, and co-operated with the said retail associations; and on the part of these manufacturers a good deal of evidence was submitted to show that their prices were not excessive, but before concurring in that view your committee think that there should be more evidence as to the cost of production to the manufacturers.

Your committee also had to take into consideration the fact that the cost of lumber to the settler is materially affected by the cost of freight as well as by the cost to and profits of the manufacturer and retailer.

All which is respectfully submitted.

T. GREENWAY,
E. A. LANCASTER,
WILLIAM SLOAN.

Resolved, That the above draft report, be the report of the committee, and that the same be presented to the House, with the minutes of proceedings and evidence attached thereto.

The committee then adjourned *sine die*.

Attest,

L. C. PANET,
Clerk of the Committee.

SELECT COMMITTEE appointed for the purpose of inquiring into the prices charged for lumber in the Provinces of Manitoba, Alberta and Saskatchewan.

SYNOPSIS OF EXHIBITS.

No. of Exhibit.	Date.	Subject.
1		Recommended Price List No. 15, of the Mountain Lumber Manufacturers' Association, Nelson, B.C.
2	Nov. 26, 1906.....	Membership list "The Western Retail Lumbermen's Association." Referred to on page 7.
3		List of changed prices to take effect in Edmonton and Strathcona on February 1, 1907. Referred to on page 18.
4		Constitution and by-laws of the Alberta Retail Lumber Dealers' Association as adopted and confirmed at a meeting held at Calgary February 8, 1906. Referred to on page 34.
5	Feb. 18, 1907	Price list "The Enterprise Lumber Co.", Lethbridge, Alta.
6	Aug. 18, 1906.....	Names of members of the Mountain Lumber Manufacturers' Association together with copy of report of F. D. Becker on the meeting of the Mountain Lumber Manufacturers' Association held in Nelson, B.C. Referred to on pages 44 and 49.
7		Minute Book of the Alberta Retail Lumber Dealers' Association. Referred to on page 67.
8		Cash book of foregoing association. Referred to on page 67 of the evidence.
9	Aug. 18, 1906.....	Report (original) of F. D. Becker same as exhibit No. 6. Referred to on page 63.
10		List of members of the Alberta Retail Lumber Dealers' Association corrected to January 23, 1907. Referred to on page 70.
11	Oct. 29, 1906	Letter from Big Bend Lumber Co., Limited, to Secretary Alberta Retail Lumber Dealers' Association, acknowledging receipt of corrected list of dealers in Alberta, also inquiring whether C. R. Fitness of Edmonton should be on list. Printed on page 81.
12	Oct. 31, 1906.....	Letter from secretary Alberta Retail Lumber Dealers' Association stating in reply to foregoing that C. R. Fitness is not a member of the Association. Printed on page 82.
13	Sept. 6, 1906.....	Application of "The Vegreville Lumber Co." for membership in the Alberta Lumber Dealers' Association. Printed on page 91.
14	Feb. 16, 1907.....	Application of Anna B. Hoaglin for membership in the Alberta Lumber Dealers' Association. Printed on page 93.
15	June 16, 1906.....	Letter from Secretary Alberta Retail Lumber Dealers' Association to Carstairs Lumber Co. stating he was informed by the manager of the Breckenridge Co. that letter quoted full retail prices at Calgary. Printed on page 95.

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SELECT COMMITTEE appointed for the purpose of inquiring into the prices charged for lumber in the Provinces of Manitoba, Alberta and Saskatchewan.—*Continued.*

SYNOPSIS OF EXHIBITS.—*Continued.*

No. of Exhibit.	Date.	Subject.
16	Aug. 28, 1906.	Letter from secretary of foregoing association to Columbia River Lumber Co., Golden, B.C., acknowledging receipt of copy of letter advising Messrs. Gordon & Gordon to join association. Printed on page 96.
17	June 19, 1906.	Letters (6) between Claresholm Lumber & Grain Company and secretary Alberta Retail Dealers' Association anent Enterprise Lumber Co., stabling and feeding horses of customers that deal with said company. Printed on page 97.
18	Sept. 13, 1906.	Letter from secretary Alberta Retail Lumber Dealers' Association to W. Brown enclosing blank price lists. Printed on page 100.
19	July 13, 1906.	Letter from Staples & Co., Limited, to secretary Alberta Retail Lumber Dealers' Association reports as to inadvisability of association permitting F. A. Lacknar to establish a lumber yard at Didsbury, Alta. Printed on page 100.
20	Dec. 12, 1906.	Letter from Staples & Co., Limited, to secretary Alberta Retail Lumber Dealers' Association reporting Elk Lumber Co. are still shipping lumber to consumers. Printed on page 102.
21	May 23, 1906.	Letter from secretary Retail Lumber Dealers' Association to C. Hiebert, Didsbury, communicating Art. 3, Sec. 1, of constitution of the association <i>re</i> Alberta Portland Cement Co., of Calgary, starting a lumber yard. Printed on page 104.
22	.....	Application of Reid Bros., for membership in Alberta Retail Lumber Dealers' Association. Printed on page 104.
23	... ..	Resolution adopted by the Saskatchewan Grain Growers' Association approving action of government in appointing a committee to inquire into alleged lumber combine. Printed on page 118.
24	Feb. 20, 1907.	Price list of the Independent Lumber Co., Limited, Moosejaw. Printed on page 121.
25	" 20, 1907.	Price list of the Beaver Lumber Co., Limited, Regina. Printed on page 124.
26	" 20, 1907.	Price list (duplicate of Exhibit 24). Printed on page 128.
27	.....	Price list of the Independent Lumber Co. Printed on page 131.
28	Aug. —, 1905. . .	Invoice, F. W. Green in account with Woodley & Sharpe, Moosejaw, for lumber supplied. Printed on page 135.
29	Dec. 1, 1906.	Invoice, F. W. Green in account with Pioneer Lumber & Implement Co., Limited, Moosejaw. Printed on page 137.
30	Oct. 31, 1903.	Invoice, F. W. Green in account with E. Simpson & Co., for lumber supplied. Printed on page 138.
31	Dec. 31, 1903. . .	Invoice, J. Battell in account with E. Simpson & Co., for lumber supplied. Printed on page 139.

APPENDIX No. 6

SELECT COMMITTEE appointed for the purpose of inquiring into the prices charged for lumber in the Provinces of Manitoba, Alberta and Saskatchewan.—*Continued.*

SYNOPSIS OF EXHIBITS.—*Continued.*

No. of Exhibit.	Date.	Subject.
32	Aug. 31, 1904....	Invoice, F. W. Green in account with E. Simpson & Co., for lumber supplied. Printed on page 140.
33	April 11, 1894....	Invoice, F. W. Green in account with H. McDougall for lumber, &c., supplied. Referred to on page 140.
34	Mar. 13, 1907....	Price list of lumber sold in Maple Creek. Printed on page 156.
35	.....	Statement showing cost of production of lumber by the Mountain Lumber Co., in 1905-6. Referred to on page 159.
36	.....	Statement of Coast Lumber Co. and Mountain Lumber Co., showing cost of manufacturing lumber and laying it down in the yard piled, average cost of logs, &c. Printed on page 164.
37	.....	Monthly pay roll of Mountain Lumber Company, Nov. 4, 1906. Referred to on page 169.
38	.....	Memo. stating purposes and objects of the Mountain Lumber Manufacturers' Association. Printed on page 179.
39	.....	Proposed constitution and by-laws of the foregoing Association. Printed on page 181.
40	.....	Summary of proceedings of meeting of above Association held at Nelson, B.C., Jan. 8, 1906. Printed on page 184.
41	.....	Minutes of proceedings of above Association held at Nelson, B.C., Feb. 28, 1906. Printed on page 190.
42	Feb. 12, 1906....	Circular letter addressed members of above Association <i>re</i> prices to be charged for scantling and dimension lumber. Printed on page 199.
43	April 9, 1906....	Circular letter <i>re</i> advisability of advancing price of lumber; also enclosing blank forms to be filled in. Printed on page 200.
44	.....	Statement showing average shipments from Mountain Mills consisting of lumber only partially dried, also giving weights applying to average shipments. Printed on page 215.
45	.....	Minute Book of the Mountain Manufacturers' Association. Referred to on page 223.
46	Dec. 1, 1905....	Circular letter addressed by the secretary of the above association to members thereof urging necessity of turning down all inducements to sell below price list. Printed on page 253.
47	Oct. 9, 1906....	Circular letter from foregoing to members of Association enclosing additional list of members of the Western Retail Association. Referred to on page 254.
48	.....	Circular letter from foregoing enclosing corrected price list of lumber. Printed on page 254.

SELECT COMMITTEE appointed for the purpose of inquiring into the prices charged for lumber in the Provinces of Manitoba, Alberta and Saskatchewan.—*Continued.*

SYNOPSIS OF EXHIBITS.—*Continued.*

No. of Exhibit.	Date.	Subject.
49	.. .. .	Circular letter from foregoing stating that Coast Association cannot see their way to raise price of mouldings to a par with recent advance of 40 % off. Referred to on page 255.
50	May, 12, 1906....	Circular letter from foregoing communicating resolution adopted at a meeting of the directors of the Alberta Retail Lumber Dealers' Association. Referred to on page 255.
51	Feb. 1, 1906....	Circular letter from foregoing suggesting that members of Association put up bold front in the matter of prices. Referred to on page 255.
52	June 6, 1906....	Circular letter from secretary foregoing association stating that orders placed through him will be given whatever preference is possible by the shipper. Referred to on page 256.
53	Dec. 5, 1906....	Circular letter from foregoing communicating resolution adopted at a meeting of the Alberta Retail Lumber Dealers' Association on the 29th November, 1906, relative to contemplated advance in prices of lumber. Referred to on page 257.
54	.....	Circular letter from foregoing directing attention of members of the association that all payments must be at par at their office. Referred to on page 257.
55	Oct. 15, 1906....	Circular letters from foregoing inclosing copies of price list for members of the association only, also copies of new tariff to all Canadian Northern stations. Referred to on page 258.
56	Nov. 22, 1902....	Letter from secretary Western Retail Lumbermen's Association to Thos. Wilkinson, declining to entertain latter's application for membership in association. Referred to on page 277.
57	Dec. 16, 1902....	Letter from Harrison River Mills Timber and Trading Co., Lim., to Thos. Wilkinson regretting inability to sell latter lumber. Referred to on page 278.
58	Feb. 25, 1904 ...	Circular letter from secretary Western Canada Lumber Manufacturers' Association to active members thereof communicating matters discussed in convention affecting the lumber trade in Manitoba. Printed on page 286.
59	" 18, 1907... ..	Invoice, T. Wilkinson, in account with M. Robson for lumber purchased by former for corporation of Regina. Printed on page 291.
60	.....	Samples of inch-flooring bought by T. Wilkinson from Mountain Lumber Manufacturers. Referred to on page 293.
61	Jan. 16, 1904. ...	Letter from Central Pacific Lumber Co. Lim., to T. Wilkinson— <i>re</i> Michaelis and stating that committee interviewed parties who are supplying latter with lumber and that they promised to discontinue selling as soon as the present bills were filled. Printed on page 297.
62	Mar. 2, 1904....	Letter from Central Pacific Lumber Co., Lim., to T. Wilkinson intimating to the latter that he will be protected. Printed on page 297.
	Feb. 24, 1904....	Telegram from T. Wilkinson to J. A. Thompson stating that Marling 'went through Pense 21st inst. Printed on page 298.

APPENDIX No. 6

SELECT COMMITTEE appointed for the purpose of inquiring into the prices charged for lumber in the Provinces of Manitoba, Alberta and Saskatchewan.—*Continued.*

SYNOPSIS OF EXHIBITS.—*Continued.*

No. of Exhibit.	Date.	Subject.
64	.....	Statement of P. Lund outlining conditions relative to the manufacture of lumber as they existed from the days of the construction of the Crow's Nest Pass Railway up to the present time. Printed on page 338.
65	....	Statement of wages paid in saw-mill. Referred to on page 342.
66	.....	Statement showing grades and percentages of material handled during the year 1906 by the Crow's Nest Pass Lumber Co., Wardner, B.C. Referred to on page 351.
		Minute books (4) and price lists of the British Columbia Lumber and Shingle Manufacturers' Association. Referred to on page 352.
66½	.....	Statement of L. A. Lewis protesting against any examination into the details of his private business as a dealer of lumber and giving reasons therefor. Printed on page 352.
67	.....	Statement <i>re</i> prices received in 1906-1907 for lumber in New Westminster and district compared with Car trade. Referred to on page 353.
68	Mar. 11, 1907....	Letter from Manager Fraser River Saw Mills, Limited, Millside, B.C., to L. A. Lewis, replying to inquiry made as to why writer will not help latter in respect of rail shipments. Printed on page 353.
69	" 6, 1907....	Letter from Manager Victoria Lumber & Manufacturing Co., Chemainus, B.C., certifying they are selling lumber for export at \$18 basis, "E" list. Referred to on page 355.
70	.....	Price list "E" published for the purpose of furnishing a standard for the relative values of different grades and dimensions and a basis for the quotation of prices. Referred to on page 356.
71	Mar. 7, 1907....	Invoices (copies) of logs sold by Patterson Lumber Co., Vancouver, B.C. Referred to on page 356.
72	" 6, 1907....	Statement showing price at which ten booms of logs were sold by the International Logging Co. in 1906. Referred to on page 356.
73	Jan. 14, 1907....	Price lists (6) of Washington Logging and Brokerage Co., Seattle. Referred to on page 356.
74	Mar. 23, 1907....	Telegram from D. B. Dulmage, Cranbrook, B.C., to A. E. Watts, asking that the statement made by Thos. Wilkinson, Regina, that he bought from them last summer although not a dealer, be contradicted. Printed on Page 358.
75	.....	Statement showing comparison of wages paid by Brunette Lumber Co. in 1905, 1906 and 1907. Printed on page 359.
76	Mar. 7, 1907...	Statement showing comparison of wages paid in June, 1906 and 1907, by Patterson Timber Company's logging camp. Printed on page 360.
77	Memo. of average prices realized for lumber by the Rat Portage Lumber Co., Limited, during the years 1894-1906. Printed on page 402.

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SELECT COMMITTEE appointed for the purpose of inquiring into the prices charged for lumber in the Provinces of Manitoba, Alberta and Saskatchewan.—*Continued.*

SYNOPSIS OF EXHIBITS.—*Continued.*

No. of Exhibit.	Date.	Subject.
78	.....	Partial list of dealers who were not members of the Western Retail Lumbermen's Association to whom the Rat Portage Lumber Co., Limited have sold lumber during past 6 or 7 years. Referred to on page 417
79	.....	Statement of sales and outstanding accounts for the years 1895-1906 inclusive, as at Nov. 30 in each year. Printed on page 418.
80	.....	Price lists (wholesale and retail) of the Sturgeon Lake Lumber Co., Prince Albert, Sask.
81	.....	Statement submitting facts concerning the lumber trade and retail prices which have obtained from time to time during the past 30 years. Printed on page 434.
82	.....	Constitution and By-laws of the Western Retail Lumbermen's Association, as adopted and confirmed on Jan. 18 and 19, 1905. Referred to on page 440.
83	.....	Letters (13) addressed Geo. M. Yeomans, Alexander, Man., by E. H. Heaps and others, intimating their inability to sell former lumber unless he secures membership in Western Retail Lumbermen's Association. Printed on page 454.
84	March 4, 1907....	Compilation from invoices of shipments to retail dealers by the Wattsburg Lumber Co., showing the weights per 1,000 feet for lumber Printed on page 482.
85	Feb. 16, 1907....	Letter from Jas. Degnen, Gabriel Island, B.C., to E. E. Taylor, giving price of logs during 1903, 1904, 1905 and 1906. Printed on page 500.
86	June 14, 1904....	Letter from Manager Ladysmith Lumber Co., Limited, to E. E. Taylor, stating they have had the first protest from the association in Bowden, and suggesting that no more lumber be sold at that place. Printed on page 509.
87	June 14, 1904....	Catalogue adopted by the sash and door factories' branch as the official catalogue of the British Columbia Lumber and Shingle Manufacturers' association. Referred to on page 514.
88	June 14, 1904....	Special freight tariff of Canadian Pacific Railway (western lines) on lumber, lath and shingles.
89	March 4, 1907....	Letter from Secretary Alberta Building Co., Limited, Calgary, to E. E. Taylor, stating that since combination of lumbermen has gone into effect there has been an advance in price of lumber every week during the past year. Printed on page 519.
90	July 7, 1905....	Letter from Rothesay Lumber Co., Mara, B.C., to E. E. Taylor, requesting fuller particulars re matter of selling combine for British Columbia mills in North-west Territories, referred to in accompanying clipping. Printed on page 520.
91	July 11, 1905....	Letter from E. E. Taylor to Rothesay Lumber Co., replying to foregoing. Printed on page 520.

APPENDIX No. 6

SELECT COMMITTEE appointed for the purpose of inquiring into the prices charged for lumber in the Provinces of Manitoba, Alberta and Saskatchewan.—*Continued.*

SYNOPSIS OF EXHIBITS.—*Continued.*

No. of Exhibit.	Date.	Subject.
92	April 11, 1904....	Letter from Manager Ladysmith Lumber Co. to E. E. Taylor relative to cut in price of lumber. Printed on page 522.
93	Jan. 9, 1905.....	Letter from manager Ladysmith Lumber Co. to E. E. Taylor, enclosing revised price list adopted by all mills, including both the Mountain and the Coast Mills. Printed on page 523.
94	Sept. 22, 1905.....	Letter from manager Ladysmith Lumber Co. to E. E. Taylor, stating they have sent in their tender, but were assured that order goes through Cushing Bros. Printed on page 523.
95	Sept. 5, 1905.....	Letter from manager Ladysmith Lumber Co. to E. E. Taylor, enclosing copy of J. A. McKenzie's letter <i>re</i> prices on order sent. Printed on page 524.
96	Aug. 1, 1905.....	Letter from manager Ladysmith Lumber Co. to E. E. Taylor, stating they cannot sell less than price list. Printed on page 524.
97	Aug. 8, 1905.....	Letter from E. E. Taylor to Ladysmith Lumber Co., stating he has signed statutory declaration and forwarded same to Mr. Alexander, secretary British Columbia Lumber and Shingle Manufacturers' Association. Printed on page 525.
98	.....	Price list of lumber sold by retail dealers in Saltcoats. Referred to on page 539.
99	.....	Constitution and by-laws of the Western Retail Lumbermen's Association, revised to February 15, 1895. Referred to on page 543.
100	.....	Membership list of foregoing association, revised to July 15, 1901.
101	Feb. 6, 1907....	Letter from Imperial Elevator Co. of Winnipeg, to secretary Western Retail Lumbermen's Association, requesting to be informed whether there has been any arrangement made <i>re</i> adjustment of prices in the Kinkella line. Printed on page 575.
102	June 11, 1906.....	Letter from Imperial Elevator Co. to foregoing, stating company is adhering strictly to prices. Referred to on page 577.
103	May 25, 1906.....	Letter from Imperial Elevator Co. to foregoing, stating that Mr. Martin attended a council meeting at Wapella and gave members thereof account of visit of I. Cockburn and Mr. Clute made to above place. Referred to on page 578.
104	Mar. 27, 1906.....	Letter from Imperial Elevator Co. to foregoing, stating their managers have strict instructions not to sell outside of their territories excepting at their regular retail price. Referred to on page 579.
105	Feb. 23, 1906.....	Letter from the Alameda Farmers' Elevator and Trading Co., Limited, to foregoing (Isaac Cockburn), complaining that Imperial Elevator Co. had reduced their prices. Referred to on page 581.
106	Feb. 27, 1906.....	Letter from T. I. Arnett to foregoing, stating that 'Kerr' has recently sold a bill at Saltcoats 8 by 8, 28 for \$23 per thousand with shingles and other things in comparison. Referred to on page 582.

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SELECT COMMITTEE appointed for the purpose of inquiring into the prices charged for lumber in the Provinces of Manitoba, Alberta and Saskatchewan.—*Continued.*

SYNOPSIS OF EXHIBITS.—*Continued.*

No. of Edition.	Date.	Subject.
107	June 11, 1906.....	Letter from secretary Retail Lumbermen's Association to J. Mergens, Weyburn, suggesting it is not the policy of the association to have high prices. Referred to on page 584.
108	Aug. 15, 1906.	Letter from Hughes & Co., Brandon, to Secy. R. L. A. in reference to the Rat Portage Lumber Co., selling lumber to contractor. Referred to on page 588.
109	July 24, 1906.....	Letter from Secy. R. L. A. to Secy. Mountain Lumber Mnfrs' Assn., communicating contents of letter received advising him to look out for Union Supply Co., Lim., Rosthern, Sask. Referred to on page 591.
110	June 18, 1906.	Letter from Secy. M. L. Mnfrs. Assn. to Secy. R. L. Assn. stating he does not regard shipments made to Swift Current as being transgressions of any rule. Referred to on page 595.
111	June 21, 1906.	Letter from Secy. R. L. Assn. to Secy. M. L. Mnfrs. Assn. stating that dealers are permitted to ship lumber into a place where another dealer may have a yard, but must adhere to retail prices at that point. Referred to on page 697.
112	March 8, 1907.....	Letter from Secy. W. R. L. Assn. to Secy. Lumbermen's Assn., Enderlin, N.D., inclosing copy of old by-laws of the Assn. Referred to on page 600.
113	March 25, 1907....	Letter from Export Lumber & Shingle Co., Lim., Vancouver, to Secy. W. R. L. Assn. requesting to be informed as to advisability of dealing with a certain concern in view of investigation going on at Ottawa into the western lumber business. Referred to on page 601.
114	October 20, 1906...	Letter from Secy. W. R. L. Assn. to W. V. Stephenson, Harding, Man., stating that dealers having expressed a desire to have prices advanced, he will go to Hamiota to re-arrange price list. Printed on page 604.
115	.....	List of manufacturers who are in harmony with the Western Retail Lumbermen's Assn. Referred to on page 604.
116	Sept. 17, 1906....	Letter from Secy. W. R. L. Assn. to Lee & McAllister, Marshall, Sask., inclosing blank form of application for signature. Printed on page 604.
117	July 13, 1906.....	Letter from Secy. W. R. L. Assn. to L. McAlister, Didsbury, inclosing blank form of application for signature. Printed on page 606.
118	Dec. 28, 1905.....	Letter from A. W. Reimer, Steinbach, to secretary Western Retail Lumbermen's Association, acknowledging receipt of letter <i>re</i> annual dues, and stating he does not know what to do as his religion is tight against all the combines. Printed on page 607.
119	Mar. 23, 1907.....	Letter from Lambert & Earle, Elkhorn, Man., to secretary Western Lumbermen's Association, requesting to be informed whether there is enough business at above place for two yards to warrant him recommending application for membership. Printed on page 608.
120	May 26, 1906.....	Letter J. Mergens, Weyburn, to secretary Western Retail Lumbermen's Association, enclosing copy Soo line lumber price list. Printed on page 610.

APPENDIX No. 6

SELECT COMMITTEE appointed for the purpose of inquiring into the prices charged for lumber in the Provinces of Manitoba, Alberta and Saskatchewan.—*Continued.*

SYNOPSIS OF EXHIBITS.—*Continued.*

No. of Exhibit.	Date.	Subject.
121	" 29, 1906. . . .	Letter from secretary Western Retail Lumbermen's Association to J. Mergens, stating list was taken up by Gibson Lumber Company and other companies, who decided that same is higher than the wholesale cost warrants. Printed on 610.
122	Sept. 17, 1906. . . .	Letter from secretary Western Retail Lumbermen's Association to J. Wake, Minnedosa, requesting information <i>re</i> shipment to non-dealers below price list. Referred to on page 612.
123	Nov. 13, 1905. . . .	Letter from Rat Portage Lumber Company to secretary Western Retail Lumbermen's Association, enquiring whether Mackey & Co., of Strassburg, are members of the association. Printed on page 614.
124	" 18, 1905. . . .	Letter from Rat Portage Lumber Company to secretary Western Retail Lumbermen's Association, inquiring whether J. Johnson and S. M. McKinley are members of the association. Printed on page 615.
125	" 6, 1905. . . .	Letter from Rat Portage Lumber Company to secretary Western Retail Lumbermen's Association, stating they will not ship any more lumber to William Martin, Wapella. Printed on page 615.
126	Mar. 18, 1907. . . .	Letter from secretary Western Retail Lumbermen's Association to W. M. Carment, Kamsack, Saskatchewan, stating that Wm. Burrows has given assurance that he has no desire to ship to non-members. Printed on page 615.
127	" 8, 1907. . . .	Letter from secretary Western Retail Lumbermen's Association to W. M. Carment, stating that Wm. Burrows will not ship any more to his territory unless to a member of the association. Referred to on page 616.
128	Feb. 4, 1907. . . .	Letter from secretary Western Retail Lumbermen's Association to G. Smiley & Son, Manor, Sask., stating that the only thing to do <i>re</i> Kellet, of Carlyle, is to endeavour to circumvent him by preventing him from getting lumber from manufacturers. Referred to on page 616.
129	" 11, 1906. . . .	Letter from W. C. E. Koch, Nelson, to secretary Western Retail Lumbermen's Association, stating that sale by him of car of lumber to a dealer who was not a member of the association, was due to an accident. Printed on page 617.
130	Mar. 9, 1906. . . .	Letter from the Chicago Lumber & Coal Co., Winnipeg, to secretary Western Retail Association, requesting to have their name put on the friendly list in the Wholesale Lumbermen's Directory of the Western Retail Lumbermen's Association. Referred to on page 617.
131	... ..	Resolution adopted at the annual meeting of the western members of the Western Retail Lumbermen's Association, held in Calgary, March 15, 1904, recommending that no active membership be granted to any mill, corporation, &c. Referred to on page 618.
132	... ..	Resolution recommending the advisability of granting honorary membership only to bonafide Manufacturers for such articles as he manufactures. Printed on page 618.
133	... ..	Resolution recommending that Association prohibit extension of line yard system. Printed on page 619.

7 EDWARD VII., A. 1907

SELECT COMMITTEE appointed for the purpose of inquiring into the prices charged for lumber in the Provinces of Manitoba, Alberta and Saskatchewan.—*Continued.*

SYNOPSIS OF EXHIBITS.—*Continued.*

No. of Exhibit.	Date.	Subject.
134	April 10, 1906....	Letter from secretary Mountain Lumber Manufacturers' Association to secretary Western Retail Lumbermen's Association, stating that he has requested Robinson McKenzie Lumber Co. to give explanation <i>re</i> complaint made against them. Printed on page 619.
135	June 21, 1906....	Letter from secretary Western Retail Lumbermen's Association to secretary Mountain Lumber Manufacturers' Association <i>re</i> shipments made to Klassen & Sons and others. Referred to in page 621.
136	" 15, 1906....	Letter from secretary Western Retail Lumbermen's Association to secretary Mountain Lumber Manufacturers' Association stating that when he gets a reply from Klassen & Sons he will determine what can be done in matter <i>re</i> shipments. Printed on page 622.
137	July 9, 1906....	Letter from secretary Mountain Lumber Manufacturers' Association to secretary Western Retail Lumbermen's Association stating that correspondence had between him and Elk Lumber Company will be brought up at next meeting. Printed on page 623.
138	May 10, 1906....	Letter from secretary Western Retail Lumbermen's Association to Manager Canadian Elevator Co., Winnipeg, enclosing copies of letters written in connection with correspondence had with secretary British Columbia Lumber and Shingle Manufacturers' Association, <i>re</i> complaint made by H. E. Meilicke, Dundurn, Saskatchewan. Referred to on page 637.
139	" 30, 1906....	Letter from E. J. Meilicke to secretary Western Retail Lumbermen's Association, stating that Mr. Olson should be granted a membership at Dundurn. Printed on page 639.
140	" 8, 1906....	Letter from Manager Canadian Elevator Co., to secretary Western Retail Lumbermen's Association enclosing correspondence from secretary British Columbia Lumber and Shingle Manufacturer's Association <i>re</i> complaint of Meilicke & Sons. Printed on page 641.
141	" 11, 1906....	Letter from Manager Canadian Elevator Co., to secretary Western Retail Lumbermen's Association, stating conditions at the Coast and in the Mountains at the present time will make it difficult for non-members of the Association to get supplies. Printed on page 642.
142	June 3, 1906....	Letter from secretary Western Lumbermen's Association to E. J. Meilicke, communicating conversation had with traveller for Pacific Coast Lumber Co., <i>re</i> Olson's application. Printed on page 642.
143	" 9, 1906....	Letter from Hughes & Co., Brandon, to secretary Western Retail Lumbermen's Association, protesting against application of Gillespie Lumber Co., for membership meeting with approval of the Association. Printed on page 645.
144	" 26, 1906....	Letter from Hughes & Co., to secretary Western Retail Lumbermen's Association reporting it is certainly decision that Gillespie should not be admitted to the Association. Referred to on page 646.
145	" 7, 1906....	Letter from Hambury Manufacturing Co., Brandon, to secretary Western Retail Lumbermen's Association, expressing the hope that application of Gillespie Lumber Co., will be accepted by the Board.

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SELECT COMMITTEE appointed for the purpose of inquiring into the prices charged for lumber in the Provinces of Manitoba, Alberta and Saskatchewan.—*Continued.*

SYNOPSIS OF EXHIBITS.—*Continued.*

No. of Exhibits.	Date.	Subject.
146	June 5, 1906....	Letter from Gillespie Lumber Co., to secretary Western Retail Lumbermen's Association, applying for membership in Lumbermen's Association, inclosing cheque in payment of initial fee. Printed on page 646.
147	.....	Letter from Secretary Western Retail Lumbermen's Association to Gillespie Lumber Co., acknowledging receipt of foregoing and inclosing for signature blank form of application. Printed on page 647.
149	July 11, 1906. ..	Letter from secretary Western Retail Lumbermen's Association to Gillespie Lumber Co., stating that application cannot be considered unless company confine their business to that of a retail lumber trade. Printed on page 647.
150	July 14, 1906	Letter from Gillespie Lumber Co., to secretary Western Retail Lumbermen's Association acknowledging receipt of foregoing, stating they are eligible for membership as they are in the retail lumber business solely. Printed on page 647.
151	Nov. 11, 1905....	Letter from J. H. Forman to secretary Western Retail Lumbermen's Association complaining against Hambury Manufacturing Co., shipping lumber to non-member of dealers association Printed on page 649.
152	Dec. 14, 1905....	Letter from J. H. Forman to secretary Western Retail Lumbermen's Association stating that Hembury Manufacturing Co., sent him credit note for commission on car of lumber shipped Bradley. Printed on page 649.
153	Dec. 13, 1905....	Letter from P. McLaren to secretary Western Retail Lumbermen's Association directing attention to the fact that a large percentage of saw mill firms in the mountains are opening up retail lumber yards throughout the country. Printed on page 650.
154	Dec. 15, 1905....	Letter from secretary Western Retail Lumbermen's Association to P. McLaren stating that retail members of association will be inclined to resent the fact of manufacturers ignoring retail members making sales outside members of association. Printed on page 651.
155	May 30, 1906....	Telegram from H. E. Meickle to secretary Western Retail Lumbermen's Association requesting to be informed whether the East Kootinay Lumber Co., is on latest list harmonious mills. Printed on page 652.
156	.....	Statement giving reasons for the increase in price of lumber in the north-western provinces. Printed on page 670.
157	.....	Price lists (4) of lumber sold in Winnipeg during the years 1904, 5, 6 and 7. Referred to on page 684.
158	.....	Correspondence published in 'The Manitoba Free Press', dated 8 January 1904, between the Vice-President Canadian Pacific Railway and lumbermen relative to the high prices charged for lumber. Printed on page 696.
159	Dec. 13, 1905....	Letter from D. E. Sprague to Hon. Mr. Fielding relative to the wholesale prices charged for lumber in Manitoba. Printed on page 720.

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SELECT COMMITTEE appointed for the purpose of inquiring into the prices charged for lumber in the Provinces of Manitoba, Alberta and Saskatchewan.—*Continued.*

SYNOPSIS OF EXHIBITS.—*Continued.*

No. of Exhibit.	Date.	Subject.
160	.....	Wholesale price list of lumber sold by the Grand Forks Lumber Co., Rainy River Lumber Co. and North Star Co. of Minneapolis. Printed on page 722.
161	.....	Memo suggesting method of preventing the retail dealers from exacting exorbitant profits from consumer throughout the west. Printed on page 727.
162	April 16, 1907....	Letter from A. Burrows, M. P., to chairman of the committee stating there has never been any association formed in his territory in connection with the spruce lumber business. Printed on page 732.
163	April 3, 1907....	Letter from Wm. Robinson to chairman of the committee inclosing statement showing average price of lumber sold by him. Printed on page 733.

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MINUTES OF EVIDENCE

TAKEN BEFORE THE

SELECT COMMITTEE APPOINTED FOR THE PURPOSE OF INQUIRING
INTO THE PRICES CHARGED FOR LUMBER IN THE PROVINCES
OF MANITOBA, ALBERTA AND SASKATCHEWAN.

HOUSE OF COMMONS,
WEDNESDAY, March 13, 1907.

The committee met at 10.30 o'clock, am., Mr. Greenway, presiding.

CHARLES THOMAS sworn.

By Mr. Herron:

Q. Your full name is Charles Thomas?—A. Charles Thomas.

Q. Where do you live?—A. Near Hartney.

Q. That is in Manitoba?—A. Yes.

Q. How long have you lived there?—A. About fifteen years.

Q. Where did you go from to Hartney? Where were you in Canada before?—A.

I lived near Kingston.

Q. In Ontario?—A. Seventeen miles from Kingston in Ontario.

Q. What is your business?—A. My business is farming.

Q. Were you always a farmer?—A. I have always been a farmer from a boy.

Q. Did you ever deal in lumber?—A. I have an interest in a firm in Hartney.

Q. How long have you had that interest?—A. About three years.

Q. Did you ever engage in the lumber business before you got that interest?—A.

Not as far as a business man.

Q. Has there ever been anything startling that has happened in regard to the raising of the prices of lumber in your part of the country in the last few years?—

A. The change in the prices of lumber in the last few years?

Q. When did that take place?—A. It had the greatest effect a little over a year ago.

Q. Until then was there nothing so far as you know and so far as you can speak of your own knowledge, was there nothing that took place until this time a year ago?—

A. You mean as to the price of lumber?

Q. Yes?—A. There was nothing very defined in the price of lumber.

Q. Was there a startling change a year ago?—A. Yes, in the price of lumber.

Q. What do you know about that?—A. Were you referring to the price of lumber in the last year?

Q. Yes. You have told us that something startling took place a year ago?—A. In the month of December, 1905, late in December, I was in the office of the manager, and there was somebody there wishing to see lumber.

Q. When you say that you were in the office of your manager do you mean the manager of the concern which you have an interest in?—A. He was the manager of the company.

Q. It is a joint stock company in which you have an interest?—A. Yes.

Q. In the office there was someone who was talking with the manager?—A. Yes.

Q. What took place?—A. He told me that he had been wishing to sell his lumber and wishing to sell a quantity and that he had said that 'You will get lumber now cheaper than you will get it in the spring.'

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Q. This was a gentleman in the lumber business?—A. Yes, I don't know who the man was.

Q. Know whom he represented?—A. No, the manager said he wanted to sell enough lumber to put us over the year.

Q. He said that to your manager?—A. He seemed to be a friend of the manager, but whether he was a relation I do not know. He wanted him to buy all the lumber he would want for the year.

Q. Did he say why?—A. He said if you do not buy now you will have to pay \$4 a thousand over the average price now for dimensions in the month of March.

Q. Did he say what kind of lumber that would apply to?—A. We understood the dimensions, and that all lumber in proportion would rise in the month of March.

Q. Did he give any reason?—A. I did not hear him give any reason.

Q. Did you hear the whole conversation?—A. He said that the time lumber was selling at a sacrifice.

Q. Then if they were selling at a sacrifice there would be no particular reasonableness in the increase?—A. I am not speaking in reference to the whole lumber business but only especially to that in our own district.

Q. Did he say what the price was to be made?—A. In March, 1906?

Q. When was the conversation?—A. In December, 1905.

Q. A year ago last December?—A. Yes.

Q. About three months before the dealers made the advance of \$4 a thousand?—A. Yes.

Q. And what was the previous price of lumber?—A. Up to late in January dimensions were worth \$18 a thousand.

Q. And they were going to raise it \$4 a thousand?—A. Yes.

Q. Do you say that it was only this firm that raised the price? Did he simply mean that this mill would raise the price \$4?—A. He meant that all the mills.

Q. All the mills in that part of the country?—A. He referred to British Columbia.

Q. Is that where most of the lumber comes from?—A. That is where the greatest part of the lumber that we handle—British Columbia cedar—comes from.

Q. Have you any other knowledge of that conversation?—A. Well, at that time I did not think, I never believed, I should have any reason to tax my memory.

By Mr. Sloan :

Q. Would the manager know?—A. I could not say.

By Mr. Lancaster :

Q. Is the manager here?—A. No, sir.

Q. Do you know any thing more that took place?—A. With reference to the raising of the lumber?

Q. With regard to the prices of lumber?—A. Our company met at one of our monthly regular meetings and at three or four our manager informed us that he wanted to buy enough lumber to put us through the year.

Q. Then he had got some information from other sources?—A. Yes, and at each of our meetings he would read letters stating that the price of lumber would be raised in the month of March.

Q. From other sources?—A. Yes. He read a number of letters from a number of places in British Columbia.

Q. You do not know where all those letters came from?—A. I don't.

By Mr. Crocket :

Q. Have you got those letters—A. No.

By Mr. Lancaster :

Q. How much was the price raised?—A. More than \$4.

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Q. How much was it raised ?—A. I cannot be certain but after the first raise I think either late in March or early in April it was raised again making it \$6.

By the Chairman :

Q. It was raised later in the year ?—A. It was raised in March and April.

By Mr. Lancaster :

Q. It was raised twice ?—A. Yes, sir.

Q. And in March it was raised \$4 ?—A. Yes.

Q. Did you ever see those letters ?—A. I heard them read.

Q. At your board meetings ?—A. Yes.

Q. They would be in the possession of your manager ?—A. They may be, but I could not say whether they are or not.

Q. Would he be likely to have them ?—A. He may have them.

Q. Then to get these letters would take a week or ten days ?—A. About ten days.

Q. You know something about, as a producer, you knew a good deal about lumber and the company in which you have an interest is that a retail company ? A retail and wholesale in a small way.

Q. Do you know any legitimate reason, any natural reason why the price of lumber should be increased \$4, from \$18 about \$25, isn't it, about 25 per cent or with the second increase do you know any reason why the price should be raised 33½ per cent at that time ?—A. I do not know myself personally any reason but he was giving as a reason I believe that they were cutting off the timber and that the lumber was getting cut away.

Q. It was getting scarce ?—A. Yes.

Q. If that be true it is more or less a good reason, but from your own knowledge was there any reason that you knew for the lumber dealers raising the price ?—A. I know the reason that lumbermen gave was that the lumber near the mill was getting cut off. I called on the manager last week and I asked if he could give any reason, and he told me that the reason given was that the lumber was getting cut off close to the mill.

Q. Was that the only reason that was given at that time ?—A. I think that another reason was that the lumber was selling too low.

Q. Did this man say anything to you on the subject of the lumber close to the mills getting scarce and the lumber producer having to make new arrangements ?—A. No.

Q. Did he say that the \$4 was going to apply to all vendors or only to several sources ?—A. I cannot say. I know as far as we are concerned it did apply to all companies where we did a regular business.

Q. And they all asked the same ?—A. Yes. The figure was the same for lumber laid down in Hartney.

Q. That is they ask a four dollar advance in March and two dollars advance later ?—A. Yes.

By Mr. Crockett :

Q. When was the \$2 advance ?—A. I cannot say. I only know it is \$2 dearer now than last spring.

Q. Some time last summer ?—A. Yes, through the summer.

By Mr. McIntyre (Perth) :

Q. Are there other dealers in Hartney besides your people ?—A. Yes.

By the Chairman :

Q. Did you know of any real want ?—A. I do not know of any real want.

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By Mr. McIntyre (Perth):

Q. Was there any increased demand at the end of the year 1905?—A. When this traveller came he said there was, but not to my knowledge. Not so far as my knowledge goes.

By Mr. Schaffner:

Q. You stated that this man stated that he knew that all the mills had made the same price. How did he know that?—A. I cannot say. He told us that we could get lumber as cheap from them as from anyone else. He said the prices were the same in all the mills.

Q. And that was true?—A. We found that was true by writing letters and inquiring for prices.

By Mr. Knowles:

Q. Are you sure that those letters stated absolutely and definitely that there would be an increase on a certain date? It was not merely a hint. Was it a definite statement?—A. I cannot say it was a definite statement. Just that the price of lumber would go up.

Q. He did not mention how much?—A. Yes, he said \$3 or \$4.

Q. Was it simply in the conversation that the gentleman made the statement?—A. It was in a conversation with the gentleman that I heard.

Q. Did he himself state with any definiteness what the increase would be?—A. I think he said from \$3 to \$4.

Q. About those letters. I suppose you could probably get them in about three days if you wired?—A. I do not know. I did not ask our manager whether he had the letters or not.

Q. But you can probably get them in three or four days if the expense of the wire is paid?—A. I suppose so.

By Mr. McIntyre (Strathcona):

Q. What do you think was the object of those letters?—A. I think they were trying to get us to buy lumber before it turned out to be dearer.

By Mr. Lancaster:

Q. Did you have any dealings with American lumbermen about this time?—A. Not about this time. But I can tell circumstances that happened when we started our factory.

Q. How many years ago?—A. Three years. Five or six gentlemen in Hartney were proposing to build a planing mill in Hartney for the purpose of manufacturing lumber for house furnishing and also mill lumber. There was at that time two lumber yards in Hartney. We first started with the idea of planing lumber and having house furnishing. We also found it necessary to deal in lumber. We met together and organized our company and got a charter and went on building. It was done very soon. In two or three months we had a building which cost from \$3,000 to \$4,000. We were surprised to find that when we tried to get lumber either from British Columbia or Rainy River or any of those different large lumber yards they informed us that there were two lumber yards in Hartney already and the third one was not required. For as much as two or three months we could not get lumber. I heard of letters they wrote stating we would have to buy it from those two lumber yards in the town of Hartney. I think this continued for three or four months, and our business stood for that time.

Q. You could not order direct?—A. We could not get it.

By Mr. Schaffner:

Q. What year was that?—A. That was the year 1904. We got word that there was a lumber company in the United States known by the name of the Thief River Falls. What I am stating is what I heard in the factory through our manager and

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he wrote, or rather our manager wrote to that company and he was informed that we could have lumber, and we ordered fifteen or twenty carloads of manufactured flooring, siding and house furnishing generally, and for two or three months we were more anxious to have British Columbia cedar. After we had run our factory for about two or three months, including the selling of lumber—

Q. You cannot state just the date?—A. Perhaps July, 1904. I have been away from home. I think I had been away two or three months, and when I came back they seemed pleased and stated that we could get all the lumber we wanted from British Columbia or any of the firms; that letters had come stating that we could have all the lumber we wanted. That has continued ever since. We have had no difficulty for two and a half years in buying lumber from any company. Some time in 1905 one of the companies selling lumber in Hartney, by name of the Prairie Lumber Company, sent us a letter through the Prairie Company's agent stating that we were selling our lumber below retail price and asking us to strike figures with them. The company met and read the letter and felt there was a threat and ordered the letter to be thrown into the waste paper basket. About two weeks after that they received another letter notifying us through the Prairie Company that if we did not arrange prices with them, as they had some thirty yards, they would undersell us.

By Mr. Sloan:

Q. Where is their head office?—A. It has a small yard in Hartney.

By the Chairman:

Q. I know the company; does it still exist?—A. The company is not in existence to-day.

By Mr. Crocket:

Q. How many yards did they have?—A. Three.

Q. This gentleman stated they had about 30?—A. I do not know anything about that. We did not recognize the letter, and we never heard anything from them. To-day there are two yards in Hartney. The Prairie Company has changed their yard to a company known as the Beaver Company, I think.

By Mr. Lancaster:

Q. The Beaver Company of Hartney, that is the successor to the Prairie Company?—A. Yes. The other yard was known as Mr. Chapman's. Mr. Chapman is dead, and we have bought his privileges. There are only two yards in Hartney now.

By Mr. McIntyre (Perth):

Q. Would another yard endeavouring to open find difficulty in getting lumber?—

A. I do not know whether they would to-day or not. We have not joined any association.

Q. Was there an advance in price of American lumber of United States lumber?—A. At the time of this raise, yes.

Q. To the same extent?—A. We never had any lumber except from the Thief River Fall Company.

Q. Was there an increase in price?—A. At the time the price was raised in March the price was also raised throughout Canada and at the Falls.

Q. To the same extent?—A. To the same extent.

Q. Was that before the increase in the price in British Columbia?—A. I think it was not.

Q. It would be at the same time as the British Columbia proposition?—A. I should think it was.

Q. And this increase in price included American lumber dealers?—A. It would be impossible for me to say, but I know that it included a quantity of American dealers as well as British Columbia

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Q. You speak of the price being put up at one and the same time?—A. Yes.

Q. That is as to the \$4 advance in March? Would the same thing be true also with the later advance?—A. Yes.

Q. There was also an advance in the United States?—A. Yes.

By Mr. Herron:

Q. What is the price of lumber in Hartney now?—A. You mean laid down in Hartney?

Q. What are you selling it for at the yard?—A. It depends on the quality.

Q. I mean common board lumber, say 12 feet by 10 inches wide?—A. Number 3, about \$26 per thousand; Number 1, about \$24 per thousand.

By the Chairman:

Q. And what are dimension prices?—A. That has reference to board lumber.

By Mr. Knowles:

Q. Are the other yards selling at the same figure?—A. All I can say is, that there is sometimes a difference between the two yards.

Q. Apart from what you have given us, laid down in Hartney, has there been any raise on this lumber?—A. The dimension is laid down in Hartney, and for sixteen or eighteen foot long and a foot wide is \$24 per thousand.

Q. And sold for what?—A. Dimensions are sold for \$28 per thousand.

By the Chairman:

Q. Is that fir dimensions?—A. No, pine. Fir is a little dearer.

By Mr. Knowles:

Q. Will you tell us the prices on this Number 1, 2, 3 and 4 lumber?—A. On No. 1 it was \$24 per thousand, laid down in Hartney.

Q. And No. 3?—A. It sells for \$26 per thousand.

Q. And No. 4?—A. \$28 per thousand.

Q. And what does this cost you?—A. The lumber that is sold at \$24 or \$26 a thousand costs about \$22.

By Mr. Crockett:

Q. Is that spruce?—A. Spruce is the same figure. It is the poorer class of lumber I speak of.

By Mr. McIntyre (Perth):

Q. Can you tell us if the cost of lumber being increased in British Columbia had the effect of raising the price in Canada or was it general?—A. I have not a very good chance of knowing anything of that.

Q. Were there any other changes before this?—A. I think that the prices were a little higher than they were three years ago, but that had been a very gradual rise.

By Mr. McIntyre (Strathcona):

Q. You say that the rise in prices was a very gradual one?—A. Yes.

By Mr. Knowles:

Q. Do you sell for cash only or on credit?—A. For cash and on credit.

Q. On what time do you buy?—A. On thirty days' and sixty days' time.

By Mr. McIntyre (Strathcona):

Q. Have you any arrangement with the members of the association that prices should be raised?—A. No.

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By Mr. Sloan:

Q. If the manager made any arrangement with anyone would you know?—A. Yes.

By Mr. McIntyre (Perth):

Q. As to the subject of profit, do you not sometimes grade timber to a higher grade, and take some from a class worth \$34 a thousand and by grading make it worth \$38 or \$37?—A. We sometimes buy timber of unequal length and quality and grade it ourselves.

Q. And you will bring a number 3 into a number 2 and so improve your profit a little?—A. Yes.

By Mr. Herron:

Q. Have you been appointed to represent any association here?—A. The Manitoba Grain Growers' Association.

Q. And that association represents the farmers of Manitoba generally?—A. Yes, sir, perhaps the number is three or four thousand, I am not quite sure.

Q. Were you appointed by the executive?—A. I have the certificate in my pocket.

Q. Do they feel, do they think, that the price of lumber is excessively high?—A. I cannot give any explanation of why I was appointed. I was not at the meeting which was held at Brandon. I live fifty miles from there, and I simply got notice that my name had been sent to Ottawa, and I was surprised at receiving that notice and at receiving the summons to come.

Q. Are you a member of the executive?—A. No.

By Mr. Knowles:

Q. Were you ever a member of the executive?—A. No.

By Mr. McIntyre (Perth):

Q. The average advance on lumber may be \$4 or \$5 a thousand?—A. I think that is about the average, but I cannot be sure. I have never inquired particularly from the manager, but I have no doubt that on some lumber it is more. On cedar the increase would be I think about \$8 per thousand, but that requires more help to handle.

By Mr. Knowles:

Q. \$4 was about the minimum?—A. I think about \$4 was the average.

Q. It was not less than \$4 a thousand?—A. Well, sometimes it was a little less than that. It may have gone as high as \$7, but I think the average was about \$4.

By Mr. Lancaster:

Q. What is the rate of wages you pay per day?—A. We pay \$65 a month to the man who handles the lumber and sells it.

By Mr. Lancaster:

Q. I have here a little pamphlet (Exhibit No. 2) that contains a list of names and addresses. It is called the membership list of the Western Retail Lumbermen's Association. Do you know anything about it?—A. I know nothing about it.

Q. Where you ever canvassed to join it?—A. Not so far as I know.

Q. Your company does not seem to be in it. They seem to have one at Hartney, the Beaver Lumber Company, which you spoke of and which sent you some letters said to be of a threatening nature. That is the only one from Hartney. Your concern is not in it. Do you know anything about that association?—A. I know nothing about that association. I am quite positive we do not belong to any association.

Q. Were you ever canvassed to join it?—A. Our manager was.

Q. I mean the concern you are a stockholder of?—A. I do not know anything about that association. We were asked to join a lumber association, but I do not know

By Mr. Sloan:

Q. What association were you asked to join?—A. I would say it was a local arrangement among lumber yards to make prices all the same.

By Mr. Lancaster:

Q. This list of prices and names in Saskatchewan, companies and individuals as the case may be, do you know what it signifies?—A. I have never heard of that until now.

Q. You do not know the object of using that pamphlet?—A. I did not know there was such a pamphlet.

By the Chairman:

Q. What did you think was your original difficulty in getting lumber?—A. There were already two yards in Hartney.

Q. Who would suggest that?—A. That came from the lumber companies.

By Mr. Sloan:

Q. You were able to buy lumber from practically all the manufacturers of lumber this year?—A. I think we have no difficulty in getting it.

Q. Presuming that one of those manufacturers that you are patronizing at the present time were to sell to a firm in your neighbourhood would you still keep on patronizing them?—A. I do not think our company would make any difference at all. We are not in any way under any agreement to set our figures.

Q. Would you patronize a firm that would supply a retail firm direct?—A. I think we would.

By Mr. Schaffner:

Q. How long have you been a member of the Manitoba Grain Growers' Association?—A. From the time it was organized in the province of Manitoba.

Q. A great many years ago?—A. I think about five years.

Q. They are a grain grower's association. Do they ever discuss other matters than in the interests of farmers?—A. Yes.

Q. Have they ever discussed this lumber question?—A. Yes.

Q. What is their opinion?—A. The opinion of the association has been for four or five years, I am speaking of the opinion expressed in the convention, that there is some sort of an understanding to keep the prices up on lumber in the province of Manitoba.

Q. You seem to be a dealer in a small scale? That is rather strange that the farmers should select a dealer. I am very glad they have, but it does seem strange?—A. I have given you my opinion why they selected me. I made a statement at Brandon a year ago last December. There was a commission at Brandon, and I made a statement just as I have made to-day. I was myself surprised. I thought they could have got a more efficient person to come. But I made that statement about our experience when starting our factory.

Q. The point I want to bring out is that you are a dealer of lumber as well as a farmer?—A. Yes.

Q. A while ago we were restricted to a number of yards in the towns according to population. Does that still exist?—A. I cannot tell you about those restrictions, because we are an independent firm.

Q. Do you know whether that exists now?—A. I cannot say for other places. When we got doing more business than the other two yards they recognized us.

By Mr. McIntyre (Strathcona):

Q. Were you advised as to what your duties would be when you came here?—A. I have received no information from any source whatever. I came here almost without knowing what I was going to do.

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Manitoba Association stating that I was appointed to come here. I have had no communications with him direct and there was no information as to what I was expected to do.

By Mr. Schaffner:

Q. You are the representative of the Manitoba Grain Grower's Association?—A. Yes, that is right.

By Mr. Lancaster:

Q. How does the American prices compare to-day with the Canadian prices?—

A. We are not buying very much from the American side now. The kind of lumber we wish is British Columbia fir and British Columbia cedar, and that is not the class of goods we were getting from the Thief River falls.

Q. People prefer it?—A. Yes. Fir and cedar are preferred for building.

Q. And you only went to this Thief River Falls Company when you could not get it from British Columbia?—A. Because of necessity we could not get it from British Columbia.

By Mr. McIntyre (Perth):

Q. You bought out some firm?—A. Mr. Chapman's.

Q. Did you buy him out before or after you secured lumber from British Columbia?—A. It was a friendly deal with Mr. Chapman.

By the Chairman :

Q. Do you handle lumber?—A. I have nothing to do except visit the factory.

Q. I was going to ask you a question about measurements. How is lumber cut?—A. I suppose the lumber may be cut by about an inch when it is all planed.

Q. That is British Columbia stuff?—A. Unless you order a certain class of flooring the majority, nine out of ten, are only one and three-quarters thick and the inch lumber will be about seven-eighths and a eleven and a half inches wide. Flooring and siding is always scant.

By Mr. Herron :

Q. This lumber you say took a rise of \$4 in March, and as you state it rose in price \$2 a little after that rise? Was there a rise otherwise?—A. Yes.

Q. It was a rise all round?—A. The manager got quotations for four or five kinds of lumber and the average raise was \$6.

Q. Was it raised \$6 at one time?—A. No. It was raised in twelve months.

Q. What are the lumber firms you buy from?—A. I am not able to state where all the lumber we buy comes from.

By Mr. Crocket :

Q. What is the price for plain boards?—A. For siding of buildings?

Q. Yes.—A. Well, there are three qualities, one quality we sell at \$28 a thousand, another at \$32 a thousand and another at \$34 or \$35 a thousand.

By Mr. Sloan :

Q. Is that the retail price?—A. That is the retail price for pine, fir is a little dearer.

By Mr. Crocket :

Q. Do you buy all your lumber in the rough?—A. A great deal of lumber we buy in the rough and plane it in our own mill.

Q. And what would you pay for it in the rough?—A. Well, I do not think I can state that. It depends solely on the quality.

By Mr. Lancaster :

Q. Have you brought any correspondence with you ?—A. I have not brought anything further than a few figures I got from the manager in regard to the price of lumber as it is to-day and what the price of lumber was in March.

Q. Would you undertake to telegraph for those letters if the committee pay for the telegram. If you telegraph you could get them here in three or four days ?—A. I do not know if the manager has kept the letters .

By Mr. Knowles :

Q. You can telegraph and ask if he has or has not ?—A. Yes.

By Mr. Sloan :

Q. Now in regard to the quality of lumber from the United States and from British Columbia. Don't you think that even if it cost a dollar or two more a thousand that you get better value from the British Columbia mills ?—A. I don't know that there is such a difference in the price. We only go to the United States for pine and not much pine.

Q. No cedar ?—A. No.

Q. British Columbia cedar is worth a good deal more ?—A. Well, we buy cedar from British Columbia, but we have to pay a higher price for pine.

By Mr. Knowles :

Will you send a telegram to Hartney for those letters ?—A. I will send a telegram, but I cannot be certain that I shall get the letters.

By Mr. Sloan :

Q. How long before this rise of \$4 did lumber remain at about the same price ?—A. As long as I have experience to know the price remained very much the same.

Q. For how many years ?—A. Not quite two years.

Q. And during that two years there was very little change in the price ?—A. Very little. It did not go up any.

By the Chairman :

Q. The price of lumber did not increase very much ?—A. I don't know but what it went down a little.

Q. Did it not increase almost every year ?—A. I think in 1904 and in the latter part of 1905 lumber went down a little in price, if anything.

By Mr. Lancaster :

Q. Just before this raise ?—A. Yes.

By Mr. Sloan :

Q. That was before this raise \$6 ?—A. Yes.

By Mr. Lancaster :

Q. Then you say that the price of lumber went down before this raise ?—A. Yes. There was stronger competition and a great many agents were trying to sell lumber in 1905.

By Mr. Knowles :

Q. Have you had agents soliciting for orders since then ?—A. Very little.

Q. Some firms have sent agents ?—A. My manager has remarked on how few agents have been calling.

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By Mr. Lancaster:

Q. Do you always send your orders through the agents, or sometimes to the mill direct?—A. Sometimes we send to the mill direct, but we have had a very small number of calls from the agents.

By Mr. Schaffner:

Q. How do you account for that?—A. I don't know.

By Mr. Sloan:

Q. Have you any difficulty in getting an order filled?—A. Sometimes the filling is very slow.

By Mr. Crockett:

Q. You say that before December there was a gradual decline in prices?—A. Not all the year.

Q. Prior to December, 1905, had the prices been about \$18 and gradually declined to that price?—A. Sometimes we sold at \$18.50 and \$10.

Q. It was coming down?—A. Just a little, 50 cents or so.

By Mr. Schaffner:

Q. I understand that about the time the \$4 went on the agents ceased to bother you?—A. Yes.

By Mr. A. E. WATT, president of the Wattsburg Lumber Company, Wattsburg, British Columbia, president of the Co-operative Manufacturing Company, Proctor, B.C., president Canadian Publishing Company, Nelson, B.C.

Q. What price do you say lumber was about in December, 1905?—A. What class of lumber do you mean?

Q. Dimensions, common?—A. Laid down in Hartney?

Q. Yes?—A. \$18 a thousand for dimensions.

Q. And you say there was a raise of \$4 from December to March, 1906?—A. Yes.

Q. And that in March again it was raised to \$2 more?—A. No, I did not say that.

By the Chairman:

Q. Some time during the year?—A. I never said at what time that \$2 was raised.

Q. You claim that deals would cost \$18 in December, 1905, and would cost \$22 in March, 1906?—A. Yes.

Q. What prices have you at the present time for say No. 1 common?—A. The price of dimensions is \$24 a thousand.

Q. Let us take boards?—A. I did not refer to boards.

Q. What are your No. 1 common?—A. I do not handle any lumber myself.

Q. Did you know the prices?—A. No, only as I got them from the manager.

Q. What price now are you selling No. 1 boards, I mean retail price?—A. I am not quite sure. It might be \$32 or \$33 a thousand. That is rather a good quality. But I would not like to say positively.

Q. Have you ever applied to any British Columbia manufactory for lumber and been refused?—A. Our manager in 1904 applied to a lumberman in British Columbia and was refused. This information I got in our company hearing him make those statements.

Q. Do I understand that was in 1904?—A. Yes.

Q. Have you been refused since that date?—A. For about two or three months we have been refused nothing.

Q. You got all the lumber you required?—A. All we required.

Q. And you have got it since 1904?—A. Yes.

Q. Since 1904 have you bought any from the United States?—A. We have in the

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Q. Why don't you do so now?—A. We prefer to use British Columbia fir and cedar. It is a better article for house furnishing.

Q. Is that the sole reason?—A. I think that is the main reason.

Q. You could not save money by buying in the States?—A. We bought our lumber from Thief River Falls. They did not appear to handle rough British Columbia fir and cedar.

Q. You could not say whether the price is higher in the Northwest Territories than it is in the States?—A. No, I cannot say that.

SAMUEL QUINCEY O'BRIEN sworn.

By Mr. McIntyre (Strathcona):

Q. Where do you reside?—A. Strathcona.

Q. What business do you carry on?—A. Retail lumber dealer.

Q. How long have you been in the retail lumber business?—A. I have been indirectly seven years, three years doing nothing else. I was teaching before I went into the lumber business.

Q. Where did you commence the retail lumber business first?—A. In the town of Ponoka, Alberta.

Q. On your own responsibility?—A. Yes.

Q. What year?—A. 1900.

Q. From what companies did you buy at starting?—A. The Brunette Sawmill Company.

Q. Where is that located?—A. At Sapperton, British Columbia.

Q. Did you have any difficulty in securing lumber?—A. None, whatever.

Q. Was there any other firm at Ponoka?—A. Yes, there was a second yard.

Q. Were you advised in any way not to commence there by the wholesale men?—A. Never.

Q. Have you been presented with any list suggesting retail prices by wholesale men?—A. Never in any way.

Q. How long were you in business in Ponoka?—A. For two years.

Q. Where did you go after that?—A. I was on the road for two years for the Brunette Sawmill Company.

Q. When did you commence business in Strathcona?—A. Three years ago last January.

Q. In your communications with the Brunette Lumber Company as their agent had you any knowledge of a combine?—A. Well, what do you mean by a combine?

Q. Were you advised to sell to certain people in Alberta?—A. I never received any definite instructions as to who to sell to.

Q. Did ever any one apply to you for an order and you were unable to take that order?—A. No, not to my recollection.

Q. You never secured an order that was refused by wholesale firms?—A. Unless they were unable to fill it. I mean if the order was not considered good financially.

Q. Has one single consumer applying through you ever been refused?—A. None applied to me.

By Mr. Lancaster:

Q. Did ever a retail dealer apply to you who was refused?—A. I cannot recollect any at the present time. I always made application for his order.

Q. You made a canvass of the retail dealer?—A. Yes.

Q. Which retail dealers did you know to go to?—A. I had a list of names and addresses of the association.

Q. What association?—A. The Western Retail Lumbermen's Association.

Q. You were limited in your instructions as I understand by your employers to only call on members of that association?—A. I never received instructions. I simply received the book.

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Q. You were not supposed to go outside that book?—A. I was not supposed to sell to any one except the members of that association.

Q. Were you approached by anyone else?—A. No, I never was approached by anyone else.

Q. You never attempted to sell to others than those on the list?—A. Never.

By the Chairman:

Q. You would not call on anyone unless he was on that list?—A. Exactly.

Q. Your employers would not expect you to?—A. No.

Q. They would probably find fault with you if you did?—A. I could apply to any man if he was a member of that association—that is at that time.

Q. How long did that last, up till when?—A. Up till about three years ago. I am not particular as to the time.

Q. Then you ceased working for that company?—A. Yes.

Q. You say that you travelled three years ago, and I suppose, as far as you know, the man in your place is in the same position as you were, and only calls on the members of the Retail Association?—A. No, I can sell to any one, whether members of the association or not.

By the Chairman:

Q. To any one in the same town as a member of the association?—A. Yes.

By Mr. Sloan:

Q. Have you any instructions limiting you to members of the association?—A. As I understand it, I can sell to any one at the present time, and I do.

Q. To the consumer?—A. To the consumer.

By Mr. Lancaster:

Q. How long has that been so?—A. About three years.

Q. Can a man who is not in business get lumber?—A. I may say that there is a man in my town who is getting lumber and who started in business in the last three months, who got lumber before he was a member of the association.

Q. Is there any other yard in your town?—A. Three of us.

By Mr. McIntyre (Perth):

Q. Are they members of the association?—A. Yes, I think so.

Q. Do you buy from any other company?—A. The British Columbia Mills, Timber and Trading Company, the A. E. Watts Company, and the Empire.

Q. Does this Alberta Retailers' Association send out a price list for guidance in the selling of lumber?—A. I have never had a list submitted to me. As I said, I do very little wholesaling at the present time.

Q. In your retail business have you had a list?—A. I have never had any list given to me by the Alberta Wholesalers' Association.

Q. Do all of the dealers in your town sell at the same rate?—A. Practically the same rate.

Q. By arrangement?—A. We meet and arrange prices as a guidance.

Q. Can you give us the percentage of advance over the wholesale prices in the retail prices?—A. I have prepared a few prices. We buy British Columbia dimension at \$23 F.O.B. the car, Strathcona.

By the Chairman:

Q. What is your freight rate?—A. From the coast, 40 cents, and from the mountain mills it varies, 26 cents or 27 cents, and so on, depending upon the town that you get it from.

Q. Do you know if there is a uniform price?—A. There is a uniform price to all of us.

Q. No matter what the freight is?—A. Yes.

By Mr. McIntyre (Strathcona):

Q. Any man buying in British Columbia would get it at the same price?—A. Yes.

Q. On these dimensions, if you get it from the coast or the mountains, does a man have to pay the same price in Strathcona?—A. Yes.

Q. Just the same, no matter what company you buy from?—A. Unless I buy it from some mill that has not adopted the price list.

Q. Then, there is a general price list?—A. There is a price list practically general, but all the mills do not adopt it.

By Mr. McIntyre (Perth):

Q. Are the mountain prices and the coast prices the same to a man, when the lumber is laid down in the yards at Strathcona?—A. There is a little difference.

By the Chairman:

Q. That is on the 40 cent rate?—A. That is from the coast, and from the mountains it is 23 cents.

By Mr. McIntyre (Perth):

Q. Was the lumber coming from the coast the same in price, irrespective of the mill it comes from?—A. Yes.

By Mr. McIntyre (Strathcona):

Q. You say that all the mountain mills have the same price?—A. All those who have adopted this price list.

Q. They have adopted a common price list, which they have submitted to all dealers?—A. Of course, I am not in the wholesaling, and I don't know how many have adopted this list.

Q. Well, all the firms that you are buying from, this British Columbia dimension stuff, sell at the same price?—A. All those that I have been buying from.

Q. And it does not make any difference in the matter of the price which you buy from?—A. There is one mill which I have an order with now that I am buying from not at this price, but that mill has not adopted that price list, as far as I know.

Q. Did you notice any very great change in the price about March, 1906?—A. Well, I have not posted myself in the prices for the last five years.

Q. Well, you were buying lumber in December, 1905, were you not, and you were buying lumber in March, 1906. This committee had a statement made to it, that lumber increased at that time \$4 a thousand. Don't you remember that?—A. I have no recollection of any advance of \$4.

Q. No recollection at all?—A. Well, the price list can be got, but I have no recollection of a \$4 advance in March, 1906. There might have been.

By Mr. Sloan:

Q. In or about that time was a general increase in prices going on which amounted to about \$4?—A. I don't think it was that much.

By Mr. Lancaster:

Q. Have you any recollection of notice being given in December, 1906, by any travellers that would be a probable increase?—A. Of course, that is used by agents almost at any time.

Q. To urge you to buy?—A. Yes.

Q. Do you remember what happened in December, 1906?—A. I cannot say I do.

Q. Were you canvassed for orders?—A. I expect I was.

Q. Did you buy?—A. I suppose I did. I buy now and again at any time.

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Q. Did you buy any larger quantity than usual?—A. I cannot recollect what amount I bought at that time.

Q. Do you recollect any special reason for buying lumber largely in larger quantities than usual in December, 1905, or January, 1906?—A. No, finances were kind of low then and I didn't plunge.

Q. You don't remember any particular reason why you were urged to buy?—A. I don't recollect being urged.

By the Chairman:

Q. How long were you in business before you went there?—A. Three years.

Q. Do you remember the difference in the retail prices for dimensions now and before you went there?—A. Perhaps I can get at the difference, but, of course, I was buying spruce dimensions that in Strathcona we are now retailing at \$24. When I went to Strathcona three years ago the price was \$19.50.

By Mr. McIntyre (Perth):

Q. You have spoken of the Mountain Lumber Manufacturers' Association, I see in their recommended price list, this clause 'sales should be made to regularly established dealers except to elevators and flour mills to which shipments will be made direct, and the regular trade price list is recommended to all.' Have you any knowledge of what is meant by that suggestion?

Q. You have submitted this pamphlet and it contains a suggestion that sales should be made to regularly established dealers only with certain exceptions. Do you know anything as to the application of that suggestion by travellers?—A. I think they follow the recommendation.

Q. Sales then would only be made to established dealers?—A. I expect they adopt the recommendation.

By Mr. Sloan:

Q. You would be perfectly clear in your mind if there was any advance of \$4 within a few months?—A. I think if there was an advance of \$4 I would remember it. I think \$2 was about the limit. It might have advanced \$4. If I had my list I could tell.

By Mr. Lancaster:

Q. You were here when Mr. Thomas gave his evidence?—A. Yes, and was rather surprised to hear of the \$4 advance.

Q. He says it was not only advanced, but that he was notified by agents that it would be advanced?—A. I would not deny that at all because I have not posted myself on the price list for the last three years.

Q. How far is your place from Mr. Thomas's place?—A. Mr. Thomas's place is in Manitoba, I am in Alberta, about a thousand miles distant, I guess.

By Mr. Herron:

Q. Do you think lumber has not advanced during the last twelve months more than \$2 a thousand?—A. Well, some grades have advanced more than \$2. To average it up is a hard matter.

Q. Was there not an average increase of \$5 during the past twelve months?—A. I do not think there has been any advance of that kind.

By the Chairman:

Q. I have here a price list of the lumber and shingle manufacturers association, and \$24 for ordinary dimensions is the lowest price. Does that agree with your dimensions?—A. I think there has been an advance of \$1 since then.

Q. What date is that?

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The CHAIRMAN.—This is September, 1906.—A. I say there is no doubt that some items have ben advanced since then.

By Mr. Sloan :

Q. You say your name appears on the list of the Alberta Retail Dealers Association?—A. I expect it does, I have not seen the list.

Q. Do you pay any dues into that association?—A. I do.

Q. To whom do you pay the dues?—A. To Mr. A. M. Grogan, Calgary.

Q. Do they meet regularly and have they a list of executive officers?—A. I believe they have. It is a branch of the provincial association.

Q. Have you ever been at a meeting of the association for the whole province of Alberta?—A. No, I have not had an opportunity of attending.

Q. Can you tell us what the dues are that you pay?—A. I did not attend their meetings.

Q. But you are paying dues to the association?

By Mr. Fowler :

Don't you know the dues that are paid?—A. \$10.50 yearly, I think.

By Mr. McIntyre (Perth) :

What are the purposes of your association?—A. Like most other associations, to keep in touch with the trade, wholesale and retail.

By Mr. Sloan :

Q. The prices that you sell at in Strathcona, are they fixed by the head office of the association or by yourself?—A. By myself.

Q. You sell at what you wish in Strathcona?—A. Yes.

Q. Are there any other dealers in Strathcona whose names do not appear on the list?—A. I do not know whether the gentleman I spoke of a minute ago is on the list or not. I know he has been shipping lumber for some time and he was not a member of the association.

Q. Is he selling at prices fixed agreeable to yourself?—A. He has never met us. I have never had any discussion with him as to prices.

Q. Are his prices the same as yours?—A. He has not really begun business yet. He is getting his stock in.

Q. Take the case of this man. If he was to sell lumber at a less price than you were selling would you make a complaint to the association in Calgary?—A. As the case has not come up I have not considered it.

Q. Supposing there was a case?—A. It would not have any effect.

By Mr. Schaffner :

Q. You can buy lumber where you like?—A. Yes.

Q. You can sell lumber at any price you like?—A. That is right.

Q. Nobody gives you any instructions as to what price you should sell?—A. I could sell lumber at cost if I wished.

By Mr. Herron :

Q. Do you represent any association here?—A. No. I merely received the summons to appear here.

Q. Merely the summons you got?—A. Yes.

By Mr. Lancaster :

Q. Do you know of any arrangement between dealers, either wholesale or retail, which has the effect of enhancing prices or separately, that is wholesale dealers

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amongst themselves ?—A. I know nothing about the wholesalers. Of course in the retail business we base our retail prices on the wholesalers.

Q. And there is no arrangement on the part of the retail dealers to keep that price up ?—A. Of course we have our local meetings and agree not to cut each others throats. There is no agreement. We make out a price list agreeing to sell at not less than that. We adopt that price-list.

Q. That means you agree not to sell at any less ?—A. There is no agreement whatever.

What do you meet for ? You do not meet for fun ? What is the effect of adopting it ?—A. Well, we sell at that price but there is nothing to prevent us not selling according to the price-list.

Q. Don't you go to the meeting for the purpose of agreeing as to how much over the wholesale price the price retail shall be ?—A. Well, that is one of the purposes we meet for, to make out a price list.

By the Chairman:

Q. You make out a price list at those meetings ?—A. Yes.

By Mr. Lancaster:

Q. And you have an understanding that you will not sell any less than those prices ?—A. Well, I see that the prices are as they were before.

Q. You leave the meeting with some understanding as to the prices ?—A. I get as close to the prices as I think I can.

Q. I am asking you if you would not consider if any other dealer who was at that meeting sold at less than the prices on the price list, whether he would not be doing you a wrong, after going away ?—A. Perhaps they would be doing as much wrong to themselves.

Q. I am asking if you would not consider it a wrong to you in selling less than you agreed to sell ?—A. Well, I would be free to do the same thing.

Q. You meet and discuss the prices and adopt the price list ?—A. Exactly.

Q. Having adopted that price list when you leave the meeting you have an understanding between one another that you will not sell less ?—A. As I said, we use that as a basis to work on.

Q. Is that the extent to which in arranging the price list goes ?—A. It is never said definitely, it is never defined that we will not sell below. There is no definite agreement that we will not sell below.

By the Chairman:

Q. What is the price list for ?—A. Simply as a guidance in order to have uniformity of prices.

By Mr. McIntyre (Perth):

Q. Is there no penalty if you sell below the price list ?—A. None, whatever.

By Mr. Knowles:

Q. When that price list is adopted do you not leave the meeting with an understanding that it will be adhered to ?—A. I certainly do.

Q. Do you believe that the others do ?—A. I expect they do.

By Mr. Schaffner:

Q. The prices vary according to the wholesale price ?—A. I don't think it is a very considerable variation.

By the Chairman:

Q. Does this association extend all over the province ?—A. No, only just around our own town.

By Mr. Knowles:

Q. Are you canvassed much for orders? Do you have many travellers calling?—

A. Seldom a month passes without two or three of them coming in.

Q. Do you order your lumber direct from the mills or through the travellers?—

A. Sometimes we order it direct from the mills, but we both place our orders with the mills or through the travellers.

Q. Do you place them mostly through the travellers?—A. No.

Q. Seventy-five per cent?—A. Perhaps not. About fifty per cent.

Q. The variation of the prices at the different localities is due to the difference in the freight rates to each point?—A. At each point the basis of the retail prices is settled by the wholesale prices.

Q. The wholesale prices are practically the same to the different points?—A. They vary according to the freight rates.

Q. That is according to the difference in the freight rates?—A. Exactly.

By Mr. Lancaster:

Q. In buying from the producer do you buy on a price list and sell according to the recommended price list?—A. Well, sometimes we get it less from those who have not adopted the price list, but it is very seldom we get it less than the recommended list.

Q. What do you mean by the recommended list? Do you mean a list from the wholesalers to the retailers?—A. Practically, it is a list sent out by those who are members of the Wholesalers' Association.

Q. Then you know that there is a Wholesale Association, do you?—A. Well, according to the price list there is.

Q. Don't you know that there is an association of wholesalers?—A. I believe there is.

Q. Have you any doubt?—A. I have not any doubt.

Q. And do you know whether that association fixes the prices that are charged to everyone?—A. Yes, because we received the price list.

Q. From that association?—A. Yes.

Q. Do all these dealers charge the same price?—A. Yes.

By Mr. Knowles:

Q. Is there more than one local association?—A. Only one.

Q. That is in Strathcona and Edmonton?—A. Yes.

By Mr. McIntyre (Perth):

Q. Don't you issue a circular to your customers?—A. No, we don't.

By Mr. Sloan:

Q. How do you alter the prices?—A. We change the prices if the wholesale prices change.

Q. Do you meet and discuss the new price list?—A. Yes.

Q. And always the wholesale price list is arranged first?—A. Yes.

By Mr. Fowler:

Q. How many dealers are there in the two towns?—A. About nine.

Q. Have you got your last price list here?—A. This is it. (Exhibit No. 3).

By Mr. Schaffner:

Q. How often does the Alberta Association meet?—A. Well, I cannot say; once or twice a year.

Q. What do they meet for? What is the object of their meeting?—A. Well, one object they have is trying to obtain uniformity in the running of matched lumber. I think that one resolution passed at the last meeting was to have all mills adopt the

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matching for the flooring, ceiling and siding, and another to do away with odd lengths of lumber.

Q. Nothing in connection with the uniformity of prices?—A. I think at the Alberta Lumbermen's Association prices are not considered on account of the great variation in the different points.

By Mr. Sloan:

Q. Isn't the interest of all lumbermen to get more profit?—A. Perhaps it is.

By Mr. Lancaster:

Q. Who is Mr. George P. Wells, of Nelson, B.C.?—A. Well, I expect that he is secretary of the Mountain Association.

Q. What has he to do with the selling of lumber to people like you?—A. Well, I don't know that he has anything to do with it.

Q. Well, look at that letter and see if you did not get a similar letter last year. It is a circular letter apparently sent out to all lumber dealers such as you are?—A. I don't remember having got a letter like that.

Q. You don't remember getting a letter like that or anything else?—A. I don't recollect that letter.

By Mr. Fowler:

Q. In consequence of what did you make up this price list?—A. In consequence of the new price list.

Q. The new price list you buy on from British Columbia?—A. Exactly.

Q. Then you immediately formulated your new price list?—A. I think there were two advances before we formulated our new price list.

Q. How much did lumber advance in British Columbia before you advanced?—A. On coast lumber it advanced \$1 on certain items and on some \$3 and some \$5.

Q. How about the Mountain Mills?—A. There was an advance of 50 cents, I think; or \$1 on some, 50 cents on others. I have no recollection. It was a small advance, \$1 a thousand, I think.

Q. Do you think that it was not until the second advance came that you made an advance?—A. Yes.

Q. For instance, take this No. 1 drop siding, you have it marked \$45 a thousand?—A. Well, we sell them by any of that. That is coast drops.

Q. Would you mind marking the items that you deal in?—A. I was just beginning to give you a list of prices that I buy on and sell at where there was some interruption. Take ship lap, we buy that at \$23.50 and estimate it in the yard at \$24.50.

Q. It costs \$1 to take it off the cars and pile it?—A. Yes.

Q. Is not that pretty large?—A. Well, when we take it from say Edmonton there is carriage of four miles of a pretty heavy grade. Either that, or it is shipped across the E. Y. & P. road. We sell that at \$30.

Q. That is \$5.50 a thousand you make?—A. The contractors get 7 per cent discount, leaving a net selling price of \$27.90, making the net profit \$3.40 per thousand. 75 per cent of the business is with the contractors. That gives us a percentage profit of \$13.87.

Q. Do you allow for the 25 per cent that you do not sell to the contractors?—A. You can easily estimate that for yourself. Take No. 1 British Columbia flooring. We buy that at \$32. The cost of piling in the yard makes it \$33. The selling price is \$40. Deducting 7 per cent, the net selling price is \$37.20, giving a net profit of \$4.20, or a percentage profit of 12.7.

Q. Would you mind taking that price list and naming some of the items?—A. Well, No. 2 flooring we buy at \$30, the cost of piling makes it \$31, selling price is \$37, contractors' net price, \$34.30.

Q. When you say it costs you \$1 to pile, that does not apply to Stratheona. That only applies to Edmonton and other places?—A. The cost in Stratheona is perhaps 75 cents.

Q. Would it be more than 50 cents?—A. Yes, it would.

By Mr. Sloan:

Q. Do you run the cars into the yard, or have you to haul from the cars?—A. We have to haul from the cars.

By Mr. Fowler:

Q. Take Dominion ship lap?—A. British Columbia Dominion is \$23, \$24 piled, selling price net to contractors, \$27.90.

By Mr. Herron:

Q. Is it not a fact that the retailer's price is fixed so as to have at least 20 per cent of profit in handling their lumber?—A. We cannot figure out in contracting more than about 15 per cent. I know in some towns they consider they should have 20 per cent, but we do not figure out more than 15 per cent. That is all we get on native lumber.

Q. I thought there was an understanding among the members of the retail association that 25 per cent was the figure?—A. That is entirely in the hands of the dealers.

By Mr. Fowler:

Q. What about shingles?—A. Shingles we buy at \$2.89, I think, and sell at \$3.75, that is 96 cents a thousand. Of course, that is subject to the discount, the same as the others.

By Mr. McIntyre (Perth):

Q. Do you get a cash discount from the wholesale men?—A. There is 25 per cent on cash paid.

Q. Is there any subsequent rebate?—A. I never received any other rebate.

By Mr. Knowles:

Q. What terms do you sell otherwise than for cash?—A. At fifteen or thirty days.

By the Chairman:

Q. In getting a car of British Columbia fir at the 40 cent rate, what proportion of the thing is freight?—A. It depends on the material.

Q. Well, you know what flooring is worth, when you are getting a 40 cent rate, how much is the freight on a car?—A. Well, on fir lumber, on \$600 worth, the freight may be anything from \$150 to \$225.

Q. At a 40 cent rate?—A. Yes.

By Mr. McIntyre (Perth):

Q. Do you sell the lumber exactly as it come to you, or do you make a little profit by grading?—A. I have not been able to do much of that.

Q. But a little profit may be made by grading?—A. I don't know that I find it best to do that, unless business is not very good.

By Mr. Sloan:

Q. Do you have any United States lumber?—A. No.

By Mr. Fowler:

Q. Do you sell much on credit?—A. Considerable.

By Mr. Sloan:

Q. Why don't you handle American lumber?—A. I have never got any American lumber.

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By Mr. McIntyre (Perth):

Q. It is too far to go to the United States?—A. I think so.

By Mr. Sloan:

Q. How do prices compare?—A. I have never made any inquiry as to American lumber in the last three or four years. I did some time before that, but I don't know what the price is now. It was not very much different, I think.

By Mr. Watts:

Q. There is no restriction which can keep a man from buying from mills which are not members of the Mountain Lumber Association?—A. No.

Q. Do you know any mills that are not members of that association?—A. Yes.

By Mr. Herron:

Q. If a man wishes to start in the business in your town would they supply that man?—A. Well, a man has just started and he seemed to have no difficulty.

Q. Did he buy from these mountain mills?—A. Well, he got his lumber.

Q. Without becoming a member of the association?—A. He was not a member when he shipped his first car, but he may be now.

By Mr. Sloan:

Q. Did he get his lumber from the mills that sent out this price list?—A. I don't know where he got it.

By Mr. Lancaster:

Q. Would he get it at the same price as you would?—A. I suppose so. He would get it at the same price as all locally established dealers.

By Mr. Fowler:

Q. If he was not a dealer, what then?—A. I expect to sell to the consumer.

By Mr. Schaffner:

Q. Is there anything to prevent any number of dealers starting in a town if they wish to do so?—A. Nothing, whatever.

By Mr. Herron:

Q. If a man was starting in your town and wished to buy lumber could he get it from any of the mills in British Columbia without becoming a member of the association?—A. This man was not a member of the association, and I believe that any man could go to British Columbia and buy lumber, but I don't know at what price. A man might pay wholesale price or he might have to pay more.

Q. That is not quite a satisfactory answer to the question. Have you any knowledge from your experience in the business that a new man can start in your town and buy lumber?—A. Well, a man has already started.

Q. Supposing a man wanted to buy a car of lumber before entering into business? A. Well, I don't think that a man who is not going into business could get lumber at the wholesale price, and I would not buy lumber from a mill that was selling to that man if he was buying for his own use.

By Mr. McIntyre (Strathcona):

Q. Was that man you referred to previously engaged indirectly or directly in the retail business?—A. Not in Alberta, he was in Toronto.

By Mr. Sloan:

Q. Would you say that the members of the Retail Dealers' Association would not

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buy any lumber from mills that sold to the consumer at the same price as to the retailer?—A. I would.

Q. And that feeling would be general?—A. I expect it would.

By Mr. Lancaster:

Q. You buy from mills that are members of the Mountain Lumber Manufacturers' Association?—A. Yes, I do.

Q. Can you state that you don't know of any special increase in price at the beginning of 1906. Would you be surprised to know that at a meeting in January, 1906, that association increased prices about twenty-five per cent on most of the lumber?—A. There was an increase, but I don't remember what the increase was. That was the question, the amount of the increase.

Q. I think that you told us that you did not remember any particular increase at the time Mr. Thomas said. At the time he looked upon it as an idle threat, but that in March there was a general increase of \$4 per thousand?—A. I don't recollect \$4 a thousand being the amount, but there may have been an advance.

Q. Do you recollect that there was an advance in the prices by that Lumber Association in January, 1906?—A. I am not sure as to the date.

Q. Do you recollect any other advance in April, 1906?—A. Later on, about three months later, there was an advance.

Q. Do you remember an advance in the price of 4-inch boards in February, 1906, by that same association, the Mountain Lumber Manufacturers' Association?—A. I do not try to carry these advances in my mind and I cannot say that I remember.

Q. Do you remember that there were advances in other things?—A. Other advances in February?

Q. Yes, beside January?—A. Several items may have been advanced.

Q. I hold in my hand a list dated February 28, 1906, of the Mountain Lumber Manufacturers' Association saying that 4-inch boards advanced 50c., 6-inch \$1.50, 8-inch 50c., and 10-inch board 50c. Re-sawn boards \$1, dimension each kind advanced 50c., making one, \$22, another \$23, shiplap three different kinds 4-inch, 6-inch, and 8-inch, \$1 each; flooring three kinds advanced \$1, and one kind \$2, ceiling one kind advanced \$1, and two other kinds of ceiling \$2; siding one kind advanced \$2 and two other kinds \$1 each; laths 50c. on two different kinds; common cedar an advance in seven different kinds. —You don't remember that, do you?—A. Now that you have read that, I do.

Q. Now that I have refreshed your memory.

Q. It would appear, from what Mr. Thomas said, that there was a general advance to the extent he stated?—A. An advance of \$4, I think he said, in March.

Q. He said between December and March. They bear out what Mr. Thomas said?—A. He said there was one advance of \$4.

Q. He said there was an advance between December and March of \$4?—A. I thought he said there was an advance of \$4 in March and afterwards of \$2. That was my recollection.

By Mr. McIntyre (Perth):

Q. Mr. Thomas said that so-called 12-inch lumber ran eleven and a half in breadth; inch lumber ran about seven-eighths in thickness, and two-inch plank one inch and three-quarters, about a quarter taken off for scantling, so that you do not get the full size.

By Mr. Fowler:

Q. Do you sell the same size and pay for it?—A. Yes.

Q. You get no advantage of the difference between one and three-quarters and two so far as you and the mill are concerned?—A. None, whatever.

Q. You spoke of an advance of \$5 a thousand on some lumber. Was that on ship lap?—A. No, that was on furnishing lumber. There is not much sold of it.

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By Mr. Sloan:

Q. You stated you would not purchase from manufacturers selling direct to the consumer. Is that a matter of arrangement between all the members of the retail association?—A. It is at our own option.

Q. Have you any arrangement amongst the members to that effect?—A. The matter has never been discussed amongst us, because we have never been up against much of that in our business.

Q. But you think all the retail dealers would co-operate in a matter of that kind?—A. I think they would.

The committee adjourned until 3.30 o'clock p.m.

WEDNESDAY, March 13, 1907.

The committee resumed at 3.30 p.m.

J. W. McNICOL sworn:

By Mr. Lancaster:

Q. What is your name and address?—A. John W. McNicol, Lethbridge, Alberta.

Q. What is your occupation?—A. I am managing director of the Enterprise Lumber Company.

Q. Have you more than one yard?—A. We have some eight yards.

Q. Where are they?—A. The head office is at Lethbridge.

Q. Are you in the retail business at all those points?—A. The retail business.

Q. Do you know of any advance in prices within a year or so by the men you buy from?—A. Yes, sir.

Q. What was it?—A. Well, the last advance was about February 8, in the early part of February or the latter part of January this year.

Q. How many advances have there been since December, 1905?—A. Speaking from memory, I think there were three in 1906.

Q. When was the first one?—A. I could not set the date closer than in the early part of the year.

Q. The early part of last year?—A. I would not set the date closer than that.

Q. Was there more than one advance?—A. According to my memory there were three in 1906. The last one of which was in September, but I could not state the dates of the two previous ones.

Q. Would you say that one was before March?—A. I would think that one of them was about then.

Q. To what extent were these advances in percentage upon the previous prices?—A. Well, in all cases the advance was not general, but only on some lines. The advance was not a general advance on all kinds, on all qualities of lumber.

Q. Was it on most kinds or only on a few?—A. Well, the most advance that has taken place this year was only on rough lumber.

Q. I was trying to find out if the advances in January and February, you have spoken of last year, were general?—A. I would think that in effect they were general.

Q. The first witness called has stated that about January there was an advance of \$4?—A. I don't know of any advance of \$4 made at any one time.

Q. Now, he stated that an advance was made of \$4 between December, 1905, and March, 1906, what do you say to that?—A. I don't think it was, sir.

Q. You don't think that the advances came to as much as that?—A. No.

Q. What would you say took place. What is your idea, your recollection?—A. Well, there were three advances last year, including the one in September, and in my impression the entire advances last year would not average more than \$4.

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Q. Mr. Thomas thought that there was an advance of \$4 between December and March and \$2 afterwards, making the total advance \$6. But you think \$4 would cover the whole advances for the year?—A. Not more than that.

Q. How did you know of any of these advances?—A. The wholesale men advised us of them.

Q. What way did you get that advice, by circular or by notice?—A. We got this advice usually first by circular, and then a printed price list of the terms on which we could buy lumber, but usually the printed price list did not appear in full form until three or four weeks after we had been notified of the advice.

Q. Would each member send you word?—A. Yes, all the mills which I am dealing with.

Q. Practically the price list of the mill was the price list of the association?—A. It was sent to me by each man as his price.

Q. Have you got one here?—A. I have got one in my pocket.

Q. Have you any objection to showing it to the committee?—A. Not in the least.

Q. Now this is headed 'Mountain Lumber Manufacturers' Association'?—A. Yes, sir.

Q. And this is the price list that you would get?—A. Yes.

Q. And it would be sent to you by some individual dealer who is a member of this association?—A. It was sent by one of the mills with whom I am dealing.

Q. Has any other member of this association sent lists like this?—A. Yes.

Q. In this price list it is explained that it is sent for a guidance of lumber dealer?—A. Some sent me that list and some have copies made with their own name put at the top, just putting on a little more style.

Q. I notice that this printed Mountain Lumber Manufacturers' Association list gives the names and addresses of some fifteen firms, including the Enterprise Lumber Company?—A. That is a list of some of the mills.

Q. These prices are prepared and actually made by the Mountain Lumber Manufacturers' Association?—A. As far as I know.

Q. And you say that you get an additional price list from the men from whom you buy. Do they take this as their prices?—A. Presumably.

Q. This list says that it cancels all other previous lists, and the copies of it can be obtained from the Secretary, Nelson, B.C. So I am right, am I not, in assuming that as far as you know in getting your prices raised by the men you buy from, it is simply a raise according to the association's raise?—A. Apparently.

Q. And there is no variation?—A. I don't know anything about that. I am not a wholesale man.

Q. But are not all the prices the same?—A. Some, I think.

Q. Don't they all have the same prices?—A. No; some of the mills refrain from using the association's list.

Q. But the figures may be exactly the same?—A. For some of the mills, but that list covers the whole country.

By Mr. McIntyre (Perth):

Q. Which of the mills send you price lists?—A. I don't think I can say how many we get lists from.

By Mr. Lancaster:

Q. You were going to explain that that list covers the whole country?—A. The men in the different districts get the list from the wholesale men and send out the prices concerning themselves.

Q. The prices would be the same?—A. Yes.

Q. I see on the list the suggestion headed, 'sales should be made to regularly established dealers only, with the exception of elevators and flour mills to which shipments would be made direct, and the regular delivery price is recommended to all. As far as you know is that distinction always made?—A. As far as I know

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Q. This list goes on to speak of another thing. It says, 'This list shall not apply to sales made to railway companies, mining companies, Dominion or provincial governments, and local or foreign trade.' So far as you can say does that mean that these companies will get better prices?—A. No.

Q. It goes on to speak of 'Recommended terms.' 'Sixty days' note, two per cent may be allowed off invoice after deducting freight if paid within twenty days from date of shipment. Eight per cent interest after sixty days.' What does that recommended terms mean?—A. It is for the guidance of the members of the association.

Q. Does it not mean that other terms are made with those who buy lumber who are not members of the association?—A. That is not my idea of the sentence.

Q. The circular says that all orders are taken subject to the approval of the home office. Does that mean the home office of the association?—A. It means the home office of the mill. The mill solicits orders through the traveller, and they reserve the privilege of inquiring as to a man's financial standing before sending the lumber.

Q. It says, 'Prices on this list are only applicable to orders for immediate shipment. The grades of timber in this list are according to the grading rules published by the Mountain Lumber Manufacturers' Association.' To what extent is the grading made under the rules of the association?—A. The trade custom is to use the standard for grading fixed by the association, as I understand it.

Q. This does not mean that all grading must be under the rules of the association as printed?—A. No, as I understand, if I have any dispute with any of the mills in regard to the getting of a lower grade of lumber, then, unless there is evidence to the contrary, the suggestion would be that the lumber should be under the grades established by the association.

Q. Well, this is positive. The grades of lumber in this list are according to the rules, copies of which may be had from the secretary?—A. My understanding of that matter is, that if I have a dispute with the importer, if I get a cargo of ship lap, and he says it is No. 1 and I say it is No. 2, if it comes to a fight, we have got to stand by the acknowledged trade grades established by the association, and if it comes to a fight, we would call in the association to establish whether it was No. 1 or No. 2.

Q. It establishes the standard and grade on which the mills take their order?—A. Yes.

Q. Do you realize that it goes a little further and says the grades are those that the association establishes, and would indicate further that it is not a matter of agreement between you and your vendor, but that if you buy from this man, you must have the grades that the association has established?—A. In the matter of disagreement, we have got to stand by the association grade.

Q. Now, does not that mean the necessity of applying, that the man who buys the lumber through you would have to apply to Mr. Wells, the secretary of the association?—A. No, if he examined that list, you will see that the stations are graded. If you want to know the delivery price on lumber, you can apply to any mill or to the secretary of the association.

Q. It says that they shall apply to the secretary of the association. It indicates on the face of it that that is the only place where the information can be got?—A. I do not see the word 'only' there.

Q. It says 'may be had on application to the secretary'?—A. You said that was the only place.

Q. I say it is the only place directed?—A. Certainly.

Q. Well, now do you remember what you were paying for the ordinary, general class of lumber? What class of lumber did you sell most of?—A. We sold the greatest quantity of what we call rough lumber.

Q. Do you remember what you were paying for that in December, 1905?—A. I would think, in the neighbourhood of from \$16 to \$17.

Q. What would you be paying for it in June, 1906?—A. It is difficult to set dates. I should judge, from \$15.50 to \$15. To-day, we are paying in the neighbourhood of \$21.

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Q. That is about \$5 a thousand advance?—A. In the whole time, about that. I am speaking from memory.

Q. Does your memory tell you whether there was any large advance last year?—A. I have no recollection of any advance of over \$2 at one time.

Q. Do you recollect an advance of \$2 in February?—A. I would think, about that time, January or February.

Q. Somewhere in the early spring of last year. Was there another advance a month later?—A. I think there were two advances last spring and one in September.

By the Chairman:

Q. And one since the new year?—A. Yes. What is the date of that list?

The CHAIRMAN.—January 16.

A. Well, since then.

Q. Can you give any reasons for those advances?—A. It is an undisputed fact that the cost of everything that enters into the cost of lumber has very much advanced. There is no denying that.

Q. Did it advance at the end of 1905 or the beginning of 1906, suddenly?—A. I think it did.

Q. What do you think was dearer, say in February, 1906, than in 1905?—I think, everything—wages, provisions, horses, and the distance of the lumber from the mill have advanced steadily.

Q. Do you think there was any great difference between February, 1905, and, say, February, 1906?—A. Yes.

Q. To what extent for horses, say?—A. You understand, Mr. Lancaster, it is difficult to state when an advance has been general, to set an exact date. Horses in my district have advanced \$150 a team during the last year and a half.

Q. Do you know of any special reason why there should be a 25 per cent increase in two months—\$4 on \$16 is about 25 per cent—in the early part of the year?—A. Well, the only reason I can give is, that in the district where we live, everything has advanced. I live within 200 miles of the Crow Mills, and our general living expenses have advanced, and general living expenses enter largely into the cost of lumber.

Q. Do you mean to say that this increase of 25 per cent in those three months?—A. They might not have increased in these three months, but in the last year and a half.

By Mr. McIntyre (Strathcona):

Q. Would not the two times you speak of be spread over the same two cuts?—A. I am not a mill man, and you have got me now.

By Mr. Fowler:

Q. You would know whether that was a one cut or not?—A. My idea is, that they cut all the year round. I am not posted on the various workings of the mill.

By Mr. Lancaster:

Q. Were you surprised at the increases, when you got notice of them?—A. No, sir.

Q. Were you expecting them?—A. I was expecting an increase.

Q. Had you been notified before to look out for it?—A. No more than that a traveller comes round and advises you to buy.

Q. And he came along in December and advised you there was going to be an increase?—A. They come along every week.

Q. And I suppose you took that more or less to mean that the man was in a hurry to get an order?—A. Certainly.

Q. But in this case it was not a case of wolf, the price did go up?—A. Certainly.

Q. You had received that warning from travellers that it was going up?—A. I do not think a week goes by that we do not hear that.

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Q. But as a rule you hear it is a false alarm?—A. No, under the present conditions I look for lumber to advance still further.

Q. What conditions do you speak of?—A. Owing to the increased cost of manufacturing.

Q. The increased cost of manufacturing, that is manufacturing it from the rough lumber?—A. From the stump into the cars.

Q. What do you say are the causes?—A. Everything that goes into the price of lumber; labour, the distance of the stump from the mill, wages of all kinds, provisions of all kinds have advanced very steadily.

By Mr. McIntyre (Strathcona):

Q. Did they take a sudden increase those things?—A. They are not in my line of business. I know they advanced stiffly. I know my living expenses are much more than they were a year and a half ago.

Q. Did you have any difficulty in getting your orders filled previous to the rise?—No.

Q. The supply seemed as great as before?—A. At the present time there is a shortage.

By Mr. Fowler:

Q. You say you expected an advance in lumber for the reason that those articles were advancing?—A. Exactly. You see I lived within 200 miles of the Crow Mills, and I am in the mountain frequently and I know what the conditions are.

Q. You know that horses, hay and oats and wages have advanced?—A. Hay is almost gold plated at present.

Q. That is rather exceptional is it not? You would not call the price of hay an ordinary advance?—A. It will hold until the new crop comes in.

Q. But wages you say are a permanent advance?—A. Wages are steadily advancing and mill men tell me that not only are they advancing, but they are getting poorer men for the money.

By Mr. Lancaster:

Q. There was the same increase of price you speak of in 1904. There was no greater advance in the cost of production than in 1905 or in 1904?—A. My impression is that the general commodities of all kinds have advanced during the last year and a half.

Q. They have not increased in any greater proportion than in 1904 or 1905. What would you say was the percentage of the increased cost of labour compared with the cost of lumber over 1905?—A. It is largely a guess, but I should say somewhere from thirty to forty per cent.

Q. If it costs thirty or forty per cent more for labour in 1906 than in 1905?—A. Yes.

Q. And how much more in 1905 than in 1904?—A. You are going back too fine.

Q. What percentage was it dearer in 1905 than in 1904?—A. In 1903 I was employed at the mill on a job at which they paid \$35. To-day they have not a man who they say is getting \$75.

Q. You say that the difference between 1903 and 1906 would be forty per cent?—A. That would be my estimate.

Q. How much of that forty per cent came along in 1904 and how much in 1905. Would it be fair to say about ten per cent each year, that would make thirty per cent?—A. As near as I know it increased proportionately.

By Mr. Fowler:

Q. I understood you to say that from 1905 to the present time it had increased?—A. Yes, the last year and a half.

Q. And previous to that about twenty per cent?—A. I would not put the in-

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crease before that so high. I have not so much knowledge further back than a year and a half.

Q. With regard to yourself, that is a specific instance?—A. That might be an exaggerated instance, but it is the way the whole situation is going.

Q. You would not say that that was the general proportion in increase on all labour? You mean that if you had stayed at the mill you would be getting \$75?—A. Exactly.

Q. At that particular job, what was it?—A. It was store-keeper at one of the mills.

Q. That would not apply to choppers and the teamsters, and the people working between the stump and the cars?—A. No, but the same scale of wages apply. At that time a wood-chopper would have \$25.

Q. And how much now?—A. I do not know, but about \$40, I think. Do not forget that I am not a mill man. Many of these things that I have told you are guesses and estimates.

Q. Did you learn anything practical about the mill?—A. I was in the storeroom.

Q. What was the company?—A. The East Kootenay Lumber Company.

By Mr. McIntyre (Strathcona):

Q. Is the position identical to-day?—A. I was talking with the present store-keeper within the last two weeks, and so far as I know he has more work to do than I had.

By Mr. Crockett:

Q. Has the business not increased?—A. Not so far as I know.

By Mr. Herron:

Q. Is it not a fact that wages have never been lower in the bush than \$35 for the last three years?—A. I know many a man who three years ago was working the bush for \$26 and his board.

By Mr. Fowler:

Q. What is the rate of wages now?—A. About \$40.

Q. For the ordinary labourer?—A. My impression is that the man who got \$26 to \$28 three years ago is getting about \$40 to-day for the same job.

By Mr. Herron.

Q. You say that the conditions for getting out cargoes are very much dearer. Take horses, for instance. What is the wages for horses during the last twelve months?—A. As I said, it is difficult to set a date.

Q. Say from the summer of 1905 to 1906?—A. From \$100 to \$150 a team.

Q. That is not my experience. The cost of flour, is that not the same as it was the summer before?—A. I cannot say.

Q. About oats. Are oats not about as low this year as they were a year ago?—A. Again speaking from memory I would say about the same price.

Q. Oats were very much lower. Now hay. Up to last November, was hay not as cheap or a little cheaper than it ever was?—A. My impression is that it was not. I am not handling those lines and am not posted up.

By Mr. Lancaster:

Q. What was the cause of the starting of the Enterprise Lumber Company? I am told it was an offshoot of the East Kootenay Lumber Company. Was this Enterprise Company started by that company?—A. No, sir, it was started by myself. The Enterprise Lumber Company is a joint stock company, in which the East Kootenay Company are shareholders.

Q. Do they control the stock?—A. They own the majority of the stock.

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Q. So that the Enterprise Company is really controlled by the East Kootenay Company?—A. No, they are separate.

Q. They have most of the stock and therefore control it?—A. At stock meetings they have control.

Q. And that would apply to all these yards?—A. Yes.

Q. All these yards are indirectly therefore under the control of the East Kootenay Lumber Company?—A. They are not under the control of the East Kootenay Lumber Company any more than the fact that they own the majority of the stock, and hold the vote at the annual meeting.

Q. They are all part of the Enterprise Company?—A. No, they are an entirely separate organization.

Q. Those yards are all part of the Enterprise Company?—A. Yes.

Q. And the Enterprise Company holds stock in it?—A. Yes.

By Mr. McIntyre (Perth):

Q. Do you get lumber from any other company than the East Kootenay Company?—A. Yes, from thirty others.

By Mr. Sloan:

Q. Do you buy from the American side?—A. Prices are so high we cannot touch it.

By Mr. Crockett:

Q. Do you pay the same price to those other companies as to the East Kootenay?—A. It is not a common thing to pay for lumber at a little less than on the list.

By Mr. Lancaster:

Q. If you pay the same price it would be because you all agree to pay the same price?—A. I do not know the reason.

By Mr. Sloan:

Q. Take a cart of lumber, it might be free of duty. Could not you take that?—A. We could not touch it. In my district there is a line of yards which a year ago was owned by an American mill and they bought British Columbia lumber because they could not afford to bring their own here.

By Mr. Lancaster:

Q. If this association was disbanded and they did not agree on those prices as regards your particular company you would not be free to buy in the cheapest market?—A. I am free to-day to buy in the cheapest market.

Q. Assuming that the lumber association of which the East Kootenay is a member was disbanded and that they did not agree on prices and sent out price lists, you would not be free practically to buy on the cheapest market?—A. I do not know that we would not.

Q. Well, would not the East Kootenay who control the stock in your company be able to force you to buy from them?—A. It is possible they might.

Q. Don't you realize that that would be quite within their power?—A. It is within their power.

By Mr. Crockett:

Q. From that list can you tell me what the price of rough lumber would be from your place to Lethbridge?—A. We figure for the price of rough at Lethbridge, \$31.

Q. That is wholesale price to you?—A. Yes.

Q. Is that the price you got from one or more?—A. From three or four dealers.

By the Chairman :

Q. How long have you been in business there Mr. McNicol ?—A. I have been in the lumber business in Lethbridge two years with the Enterprise Company, and about one year and a half I was with another outfit.

By Mr. Herron :

Q. Is there an understanding that your association would not sell lumber except on a percentage of twenty per cent ?—A. No, sir.

Q. There is no such understanding ?—A. Not in the association.

Q. Did the Enterprise Lumber Company have that list last year ?—A. Yes.

Q. And the Enterprise Lumber Company would sell on that list ?—A. Certainly.

Q. And all those would ?—A. Until the price was raised.

By Mr. Crockett :

Are these the only men ?—A. There are one or two others in every town.

By Mr. Herron :

Q. Small lumber dealers ?—A. No, small men and big yards besides.

By Mr. Sloan :

Q. Some years ago a good deal of American lumber came in ?—A. Not into our district and at Lethbridge we could get it over the Great Northern, Jim Hill's road.

Q. At one time there was considerable competition from the United States ?—A. Not in Lethbridge. A great many American settlers come to Lethbridge and talking to them I find that the retail lumber prices south are \$5 to \$8 a thousand higher.

By Mr. Fowler :

Q. You mean across the line ?—A. Yes. We have a great many American settlers, lumbermen who come in and want to know the price and they expect to pay \$5 to \$8 a thousand more than we charge.

By Mr. McIntyre (Strathcona) :

Q. Is that what some one has told you ?—A. I don't say 'some one,' some dozens.

By Mr. Lancaster :

Q. People have come to your office and told you this ?—A. We have a constant stream of people. Scarcely any week but someone comes in, and if I am not too busy I stop and chat with them and ask the price of lumber in the United States, and I find as far as lumber coming from the mill is concerned that we are \$5 to \$8 lower.

By Mr. Fowler :

Q. Do they give any reason for there being a so much higher charge ?—A. I think it is because of the difficulty that they have in getting the supply, and that is the reason why American lumber does not compete with us.

Q. It's not because the railway companies are allowed to charge about five freight ?—A. Not the Canadian Pacific Railway.

Q. Do you not believe that the reason it is much higher because the freight rate is added to the price of the lumber ?—A. I have never brought lumber over that road and I do not know anything about the freight rates.

Q. Don't you think that the freight rates have something to do with it ?—A. I know nothing about the freight rates.

By Mr. Fowler :

Q. It seems to me that you would have inquired some thing about the freight rate if you inquired something about the class of the lumber ?—A. They adopt the custom

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of a country. Within a week I had an American traveller in the office trying to sell me lumber, and he had it figured out at the Lethbridge prices.

Q. Did you ask nothing about the freight?—A. No, I was not interested. I was interested in the set prices.

By Mr. McIntyre (Strathcona):

Q. He quoted you F.O.B., Lethbridge?—A. Yes.

Q. You will continue to say that you don't know that the competition is shut off largely by the unreasonable freight rate?—A. I don't know that it is.

Q. You have not the remotest idea?—A. Not the slightest idea.

By Mr. Fowler :

Q. It seems very strange to me that American mills cannot ship to Lethbridge? If an American said that he would ship straight to Lethbridge what would you say in that case?—A. If a man came to my office and offered me lumber from 600 to 800 miles away and did not state what the rate was delivered in Lethbridge I should not buy. I should say that I am not taking chances.

By Mr. Lancaster :

Is there any similar association to your association?—A. I understand that there are three or four associations.

Q. Do those associations and this one meet together?—A. I don't know anything about that.

Q. You don't know whether they meet together, that is these associations similar to this Mountain Lumber Manufacturers' Association?—A. I believe there are three or four associations.

Q. One thing I am not clear about is when was the Enterprise Company incorporated?—A. It was incorporated in the fall of 1905.

Q. Just a year ago last fall?—A. Yes.

Q. And it proceeded at once to establish yards at all these different places?—A. No. The Enterprise Company took over some yards.

Q. It purchased fifteen businesses at the different places?—A. In some of these places.

Q. That is, in some of these places it bought other people out?—A. Yes.

Q. And in other places it established its own yards?—A. Yes.

Q. And that was all done since 1905?—A. Yes.

Q. It was done by the East Kootenay Lumber Company?—A. No, by the Enterprise Company.

Q. But the majority of the stock is in the hands of the East Kootenay Company?—A. Yes..

Q. So that the majority of the money that went to establish these yards came from the lumber manufacturing company?—A. They hold the majority of the stock.

By Mr. McIntyre (Perth):

Q. Do you know of anybody, a man with money, starting in business in this town?—A. In Southern Alberta to-day there are two men who started in business in three months and were not members of the association.

Q. Had they previously been in the business?—A. One of them had, I think, but the other had not to my knowledge.

Q. Do you know if in Alberta if anybody having no previous knowledge of the business with the cash to buy, if the East Kootenay or any other company would sell to him?—A. They would sell him all the lumber he wanted.

By Mr. Fowler:

Q. Would they sell to anybody starting in your town?—A. Yes.

Q. Supposing a contractor was trying to buy?—A. A contractor could buy all the lumber he wanted.

Q. Supposing a contractor was trying to build a house or warehouse?—A. Well, I cannot say what the mills would do, but if a mill sold to a contractor in my town for his own use, I would not buy from that mill.

Mr. McIntyre (Perth):

Q. Is the price the same to everyone for lumber?—A. So far as I know it was. So far as the Retail Association is concerned, if you pay the money you get lumber.

Q. It has been stated that if there is a lumber yard in a place another cannot start?—A. It has been stated, but so far as I know it is an absolute lie.

By Mr. Lancaster:

Q. It says that this list shall not apply to sales made to railway companies, mining companies, Dominion or provincial government. Does that mean that the railway companies can buy better than the ordinary buyer?—A. I don't know anything about it.

Q. Do you swear that?—A. I don't know anything about it.

Q. Can you doubt that to mining companies, railway companies, the prices are cheaper than to another party?—A. I don't know anything about it.

Q. What is meant by this list? Does it mean that mining companies pay more or less?—A. I don't know what mining companies pay or a railway company.

Q. This about Dominion and provincial governments, does it mean that they pay more or less?—A. I hope they soak the Dominion government. I don't know.

Q. I hope they don't, because we are here to protect the people. I don't think you are serious.—A. What I understand by that clause—I don't understand it has anything to do with prices—is that they reserve the right to sell direct to those parties without offending or giving offence to the retailer in that town.

Q. We don't object to what you understand, but I would point out the recommended price list says 'this list shall not apply to sales made to railway companies, mining companies, Dominion or provincial governments or local or foreign trade.' What do you understand that local trade means?—A. What that last sentence means is that this list shall not apply to sales made to railway companies or Dominion or provincial governments.

Q. Yes, but what do you understand that local trade to mean?—A. I understand local trade to be trade in the town where the mill is located.

Q. Not that they can sell at a different price to that given here?—A. They can retail in their own town.

Q. And does the same apply to the foreign trade? Does it not mean that they can charge more or less?—A. I don't know.

Q. For all you know may be the price is less?—A. It may be.

By Mr. Herron:

Q. You are manager of the Retailers' Association?—A. I am one of the directors.

Q. Do you know if a man becoming a member of the association has to put up a deposit, a guarantee, that he will abide by the rules and not undersell lumber at certain prices?—A. The association does not arrange the prices, and there is no forfeit put up. A man pays \$15 for joining the association, and when that has been put up it cannot be got back.

Q. Is that paid annually?—A. The initiating fee is \$15 for the first year. I am not clear whether it is \$7 or \$10 a year afterwards.

Q. Can you state any reason if no forfeit is put up why a man shall carry out the agreement?—A. Encourage any agreement.

By Mr. Fowler:

Q. Do you mean an agreement that is written or verbal?—A. Any kind of agreement.

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Q. Some oral or written?—A. Yes.

Q. What is the association for?—A. For the general benefit of the retail lumber trade.

By Mr. Lancaster:

Q. In what sense does the retail lumber trade benefit by the association?—A. It is a benefit in the fact that if any member has a grievance or wrong against any of the mills, it is a benefit to have the association as a whole to back it up rather than an individual. I may quote one instance where we were informed by the millmen that flooring, siding and ceiling would be sold in odd lengths. That to the lumberman is very important. The association as a whole protested against it, and if my memory is correct you will find a statement at the back of the last price list that the wholesalers agreed not to do it.

Q. What is the advantage?—Handier to handle.

Q. You get better value for your money?—A. But if you like to look at it in that way.

Q. Is there any other object for the association?—A. The object of the association is to work under general lines for the benefit of the retail trade, and I have given one instance.

Q. Can you think of any other?—A. We have trouble frequently with the different mills making different values in the flooring, siding and ceiling.

Q. Well, to talk over the grievances between you and the mills is one of the objects of the association?—A. Yes; we talk it over amongst ourselves and try to arrange a better grading system.

Q. You never talk over the prices, I suppose?—A. Yes.

Q. Do you agree?—A. The association as a whole does not.

Q. Does it recommend you to agree in prices?—A. It does not recommend anything, but the lumbermen try to arrange a uniformity of prices.

Q. Do you mean in working for this uniformity of prices that you all charge the same?—A. We don't all charge the same, but we try to work on a basis of twenty per cent.

Q. So that all get the same after allowing for freight rates?—A. I trade in southern Alberta, and try to get twenty per cent advance over the cost of the lumber wholesale.

Q. And you all agree to do that?—A. We agree as gentlemen.

Q. On honour?—A. On honour, yes.

By Mr. Herron:

Q. Do you know any men who are not members of the association in Lethbridge?—A. Yes.

By Mr. Fowler:

Q. Do you mean that in the association you arrange prices and fix the percentage?—A. No. We have a meeting of the association, and after discussing it we expect to obtain as near as possible twenty per cent advance on the cost price of the lumber all over the country.

Q. You don't arrange and basic prices. You don't have a price list for southern Alberta?—A. Personally I don't.

Q. Does the association have one?—A. The association does not have one at all. Alberta is a big district. For instance, Mr. O'Brien's lumber would cost much higher because the freight rate is much higher.

Q. The committee has a price list before it?—A. That is the price list we are using in Lethbridge to-day.

Q. Nobody outside Lethbridge had anything to say about making that price list?—A. No.

Q. And each of your towns work out—A. Its own salvation.

Q. And you differ from Mr. O'Brien?—A. Yes, his freight is higher.

By Mr. McIntyre (Perth):

Q. You arrange this price list, but it is not always adopted amongst the lumbermen?—A. Yes, that is a way you can look at it.

By Mr. McIntyre (Strathcona):

Q. As I understand you stated that the general association list basis is that you are to charge twenty per cent over the cost as laid down, and then you members of the association advise the other men that they are to come up or down to the twenty per cent basis, as the case may be, and you agree to fix the price?—A. We agree amongst ourselves to put down the price.

Q. Then all the retail lumbermen either directly or not are working with the Alberta association. You have your basis rate to go on in the first instance, that rate of the lumber retailers' association, that twenty per cent you agree on, and that to the local man?—A. No, you are pushing it further than I went. We have no such agreement, or by-law, or regulation, or anything of that kind regarding the twenty per cent.

Q. But you come to an understanding?—A. Yes.

By Mr. Knowles:

Q. You stated a minute ago that settlers from the United States have told you that they expected lumber to be much higher. They meant higher than it was where they came from?—A. Yes. I had a member of a large American firm bringing settlers who came to me wanting to buy lumber and I told them that the price for the boards they wanted would be \$25 or \$20, and they expected to pay \$30 or \$35, and asked me to show them the lumber, because they did not think at the price it would be good.

Q. To what extent are manufacturers and agents showing the desire to sell lumber? To what extent are you canvassed?—A. Well, it is difficult to state. In the past two months there have been many difficulties. The railways being unable to ship and the mills have an overflow of orders, but speaking from memory, I think I had three agents in my office last week.

Q. Were they desirous of selling?—A. Oh, yes, they wanted to sell.

Q. Would you place half your orders through them or more direct to the mill?—

A. At the present time we place our orders more often with the mill.

Q. Seventy-five per cent do you think?—A. More, I think.

Q. Ninety per cent do you think?—A. No.

Q. Between seventy-five and ninety do you think?—A. I would think so.

By Mr. Lancaster:

Q. You told us just now the principal object of the association, I have a copy of the constitution and it does not say anything about that being the primary object 'the settling of disputes as between ourselves and the mill owners.' The declaration says: 'We realize the inconvenience, if not the necessity, of the retail dealer to every community, and we are interested in the promotion of the general welfare and the perpetuation of the retail lumber business.'

'We recognize the absolute right and necessity of every person, partnership or corporation to fix and establish such a price as may enable him or them to realize a fair and honest profit on all lumber and lumber products sold by him or them and to enter into such agreement or arrangement with that object in view as may be deemed advisable or expedient without in any way unreasonably enhancing the price thereof, or unduly preventing or lessening competition in the sale or the supply thereof. We also recognize the disastrous consequences which result to the legitimate retail dealer from direct competition with wholesalers and manufacturers and appreciate the importance to the retail dealer as to the need and extent of such competition where any exists.'

'And recognizing and appreciating the advantage of co-operation in securing and

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disseminating all and any proper information for our mutual convenience, benefit or protection, we have organized this association and have adopted the following articles for the government of our affairs.'

I would point out that I do not see anything about the object being to settle disputes between you and the vendors of lumber, and all the objects are for mutual protection in getting reasonable prices?—A. Excuse me, does it not state 'for the general welfare of the retail trade?' Well, the matter I spoke of is for the general welfare.

Q. In a general way, but specifically it deals with the making of prices and the preventing of undue competition. As article 5 deals with prices, article 5 in the by-law says 'Whereas it is deemed expedient and proper that all members of this association make a price list for the point for which membership has been granted, and that all lumber and timber usually sold shall be according to a price list arranged by the directors. Under this article you require them to sell under the price list the directors arrange?—A. You misunderstand one thing.

Q. As I read the by-laws it is very clear?—A. When it speaks of the prices arranged by the director. The Alberta Lumber Association is divided into districts in each of which there is a director. Each director studies the local conditions and gets the local men together to arrange prices independently of the other directors and the association as a whole.

Q. But that by-law says that the directors are to fix prices as plainly as anything could say it?—A. I am not disposed to quibble over the words, all I am speaking of is the fact as done.

Q. In fairness to you, I am simply pointing out to you what is described in the constitution.

By Mr. Fowler:

Q. Are you a director?—A. Yes, sir.

Q. And as such have signed these articles?—A. Yes.

By Mr. Crocket:

Q. How many yards does the association represent?—A. I cannot tell you.

Q. About 100 yards?—A. Not in my district.

Q. How many yards are there in Alberta not represented in the association?—A. I cannot say. In my district we have seven.

Q. Just seven, and no others that are not in the association?—A. Yes.

Q. When these by-laws state that the directors arrange the price, fixing the price, does that mean the fixing of the basis of 20 per cent?—A. Yes.

Q. Do you mean that the directors have the fixing of the price in that way to make the basis of 20 per cent?—A. After the companies have added 20 per cent, the directors go into the different districts and try to have the standard retailers in every district arrange a price list on about a 20 per cent basis; each director, individually, attending to his own district.

Q. These directors of this association fix a price in the different districts of Alberta?—A. They do not fix it.

Q. The directors go out and arrange the price. The directors advise the dealers to figure 20 per cent profit, as nearly as possible, and the directors advise them to go to the dealers and fix them at that price?—A. That is right.

By Mr. Fowler:

Q. The directors fix the price?—A. The directors do not fix the price. All the directors of the association do is to observe the principle of having a 20 per cent profit.

By Mr. Crocket:

Q. And every man who enters into that agreement is supposed to live up to it?—A. He is supposed, as a gentleman, to keep up to the price and not cut his neighbour's throat.

By Mr. Herron:

Q. You have stated that that clause is not carried out. Then, you do not recognize it?—A. Which clause are you referring to.

Mr. LANCASTER.—I think it is the fifth.

By Mr. Herron:

Q. Is that carried out, or is it merely there for ornament?—A. That is carried out, according to my understanding, by each director or individual in his own district, but the director has no power to fix any price, unless the entire lumber yard dealers in his district agree to it. He has not power to make prices or to make them lower their price.

By Mr. Lancaster:

Q. Have you any knowledge of complaints having been made to those vendors that you buy from, that is, the Mountain Lumber Manufacturers' Association? Have any of their members been investigated by their co-members for selling to people other than you, or have complaints been made of selling directly to the consumer?—A. There have been complaints made with regard to selling direct to the consumer.

Q. Was there an investigation about the Elk Company?—A. I will state the position plainly. We, as an association and as members of that association, deny the right of any mill to ship to the local consumer, and any business that I know of does the same. If you go to the town where you live, and write to the wholesale man, and get it from him, what would your retail dealer say to you?

Q. I simply want to know whether the Elk Lumber Company was brought upon the carpet for daring to sell to consumers and contractors?—A. Yes.

By Mr. Sloan:

Q. Any British Columbia lumber mill that would undertake to sell to the consumer at the same price would be boycotted?—A. Call it that, if you like. I would do the best I could.

Q. Could the Retail Association issue orders to that effect?—A. They could not issue orders; they could issue information that the mill had done this, but they have no hold over the members to do anything.

By the Chairman:

Q. On what rate do you get British Columbia fir?—A. In the district we are in, we do not get British Columbia fir; we do not get from the coast anything except shingles and a little fancy cedar. The rates are prohibitive.

Q. What is your experience with regard to your scant sizing of lumber?—A. It is the custom of the trade to saw it full and then dress.

Q. What is the size of the 2-inch stuff?—A. Two-inch is a quarter in a scant.

By Mr. McIntyre (Perth):

Q. Have you any objection to state the turnover for an ordinary year?—A. It depends altogether on the size of the town.

Q. Say, about 2,000 inhabitants?—A. It depends also on the competition, on how many yards there are in the town. It varies very much.

Q. Say, a town of 500, with one yard?—A. Well, speaking from memory, we had one yard that turned over about 10,000, and another about 50,000, and the rest of the yards varied between those two.

Q. In the yard of 10,000 turnover, what would be the expense of running last year?—A. The general expense of running a lumber yard is the local expense, say from 12 to 13 per cent.

Q. Figuring all expenses that could be taken into account, would there be any difference in the ration between the 20,000 and the 30,000 yard?—A. The more business you do, the rate would be supplemented.

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Q. What do you say about a 50,000 yard?—A. It is difficult for me to say. As a matter of fact, in the 50,000 yard, the expenses were higher, owing to poor management.

Q. But with good management?—A. I do not know of any way to reduce below 12 or 13 per cent. We calculate upon 13 per cent expenses and 7 per cent profit.

By Mr. Knowles:

Q. When you say that you calculate, as a basic principle, to make 20 per cent, do you mean 20 per cent above the cost of handling?—A. No, 20 per cent above the cost of the lumber in the car

Q. Was Mr. Becker the president of your association?—A. Mr. Becker was a director and vice-president this year.

Q. Do you remember him being sent as a delegate to a meeting of the Mountain Lumber Manufacturers Association?—A. Mr. Becker is in the room and probably can tell you more than I can.

Q. You do not remember anything about it yourself?—A. I think a year ago he was a delegate.

Q. Do you personally know anything about the number of complaints he made or was instructed to make?—A. I do not remember.

Q. Were you at a meeting of directors which considered these complaints of selling to people other than themselves?—A. I do not recollect.

Q. The meeting of directors in regard to that matter would be some time in July. What I want to get at is that you do from time to time meet and if you think you have a cause of complaint against the lumber manufacturers association of selling to people other than yourselves, you do not hesitate to make that complaint to them?—A. We do not hesitate to make a complaint as to any grievance we have.

Q. That applies to the grievance of selling to other people than your association?—A. No. Selling to the consumer not a member of the association.

Q. Selling to people other than retail dealers?—A. Yes.

Q. And if you find them selling to others than retail dealers you do as a matter of rule complain and try to get it stopped?—A. We do certainly.

By Mr. Lancaster:

Q. Have you anything else you want to say?—A. I do not know that I have any thing more to say.

By Mr. McIntyre (Perth)—For Mr. Watts:

Q. When complaint was made referring to the manufacturers selling to others than retailers, had it any effect with the manufacturers, that is to say, did they take any cognizance of it?—A. In this specific instance in my district the party to whom they were selling turned round and opened a legitimate lumber yard, and therefore did away with the ground of complaint.

Q. There was no longer any complaint, because he had complied with what you thought was requisite?—A. He opened a legitimate lumber yard, and when he did that our cause for complaint vanished.

Q. Have you any knowledge as to whether the mill men during 1904 and 1905 were operating at a profit or a loss?—A. To the best of my belief they were all operating at a loss.

Q. During those years?—A. Yes.

By Mr. Knowles:

Q. How do you know that?—A. From hearsay among the mill men when I am in the mountains. My general information is to that effect.

By Mr. McIntyre (Perth):

Q. Have you any source of profit in the selection of lumber, that is in the sel-

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ection of better grades out of lumber?—A. It works the other way. In my yard they do not grade up.

Q. At one time people bought what was called mill run and were able out of that to get better grades?—A. So far as I know that is not done to-day.

Q. When you buy mill runs you buy everything?—A. Yes.

Q. So that you don't look for any source of profit by selection?—A. None whatever. The gentleman who was testifying to that was talking about the American proposition. The Americans grade their lumber differently from what we do.

By Mr. McIntyre (Strathcona):

Q. You have no definite knowledge that the manufacturers were operating at a loss?—A. I have not seen their books. I have no definite knowledge. That is my belief.

By the Chairman:

Q. Rather from talking to them?—A. Rather by talking to them.

By Mr. Lancaster:

Q. Are those men still in business?—A. We are talking about 1905, and of not working at a profit.

By Mr. Knowles:

Q. You say that during 1904 and 1905 you got the impression from them that they were working at a loss. Do you mean that for two years they conducted business at a loss?—A. Yes.

By Mr. McIntyre (Perth):

Q. Did any of them fail or go out of business at that time?—A. I do not know that. I do not think so.

By Mr. Sloan:

Q. It was not recognized as a paying business for eight or ten years?—A. So far as my knowledge goes.

The committee adjourned.

THURSDAY, March, 14, 1907.

The committee met at 10.30 a.m., the chairman, Hon. Mr. Greenway, presiding.

Mr. CHARLES THOMAS, recalled.

By the Chairman:

Q. You have a telegram, Mr. Thomas, will you kindly let us see it?

(Telegram produced.)

The CHAIRMAN.—Here is what the telegram says — 'Have not saved letters threatening increase prices; lumber just got diff—' . . . '

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Mr. A. M. GROGAN, Secretary Treasurer of the Alberta Retail Lumber Association, Calgary, sworn.

By Mr. Lancaster :

Q. Where do you live, Mr. Grogan ?—A. Calgary.

Q. You are a lumber dealer ?—A. No, sir, I am not. I am a jobber in Calgary.

Q. A jobber in what ?—A. In builders' supplies.

Q. Is that all the business you do, or do you do any other business ?—A. I am secretary treasurer of the Alberta Retail Lumber Dealers Association.

Q. Do you get a salary as such ?—A. Yes.

Q. So that a part of your income is derived from that and a part from the business you speak of ?—A. Yes.

Q. How long has that association been in existence ?—A. Since February, 1906.

Q. Since February, 1906—a year ago last month ?—A. Yes.

Q. What was the cause and object of its organization, why was it organized a year ago ?—A. For the benefit and protection of the members, I guess.

Q. The members being what class of men ?—A. The retail dealer.

Q. In lumber ?—A. In lumber.

Q. And that association was formed for the purpose of their benefit and protection. Have you a copy of the constitution and by-laws ?—A. I did not know you were going to call me this morning and I did not bring them with me, I have them at the hotel.

Q. You could bring it up the next time we meet, could you not? We probably will not be meeting this afternoon on account of special business in the House ?—A. Yes.

Q. I think there was a copy, and when Mr. McNicol was in the box I put it before him ?—A. I could let you have a printed copy of it.

Q. You will bring up a printed copy at the next meeting of the committee, will you ?—A. Yes.

Q. This association has existed only since February of last year ?—A. That is all.

Q. With the object that you tell us ?—A. Yes.

Q. Did the price of lumber advance about that time in your part of the country ?—A. It advanced in the spring some time.

Q. Very shortly after the formation of your association ?—A. I think it was about two months after.

Q. Was there any particular reason why it should advance at that time ?—A. I could not say.

Q. You could not see any particular reason why the price of lumber should advance at that time ?—A. No.

Q. But it did advance and you do not know any particular reason for it ?—A. No, I do not.

Q. Did it advance more than once in the early part of 1906 ?—A. It advanced twice, I think.

Q. Mr. Thomas was in the box yesterday, did you hear his evidence ?—A. I heard the latter part of it.

Q. He told us, perhaps it was in the early part of his evidence, that there was an advance about February, or one in January and another in February, two advances between December, 1905, and March, 1906, would you say that is substantially correct ?—A. There were two advances in the spring.

Q. Yes, that might have been both before March ?—A. About March.

Q. Was there another advance later on, as Mr. Thomas tells us, along between that and September ?—A. There was an advance in the fall.

Q. In the fall of 1906 there was another advance ? And last January— ?—A. There was a slight advance in some lines.

Q. What lines generally speaking ?—A. Well, I think it was just on common boards

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Q. That would be the stuff you would sell most of, I suppose, stuff that the ordinary everyday man would buy most of?—A. I think it was that.

By Mr. McIntyre (Strathcona):

Q. When you say it advanced do you mean that the advance was in the wholesale price, or do you mean that was an advance to the buyer?—A. It was an advance in the wholesale price.

Q. Did it affect the prices or the discussion of prices, so to speak, by your association? Did your prices to the buyers advance accordingly?—A. In Calgary they did not, the dealers did not advance the prices.

By Mr. Crockett:

Q. Outside of Calgary they did?—A. I could not say.

Q. You say the dealers in Calgary took no notice of the advance in price and sold at the same price as they did before?—A. They had a reasonable profit at the price they were selling before that.

Q. They had a reasonable profit and they continued this price notwithstanding this advance by the wholesaler?—A. Yes.

By Mr. Fowler:

Q. Notwithstanding these four advances?—A. In January there was an advance of 50 cents.

By Mr. Lancaster:

Q. The increase in January of this year is all that applies—what you and Mr. McIntyre have been discussing is not applicable to anything but January?—A. That is so.

Q. They did advance their prices accordingly after the advance in price in 1906, did they not?—A. Yes.

Q. And those prices were giving them a reasonable profit?—A. Yes.

Q. And they did not feel called upon to advance the price again upon this advance by the wholesalers in January last?—A. Yes.

By Mr. McIntyre (Strathcona):

Q. Regarding that advance, you say that the first advance was not recognized by the Retail Association?—A. No, sir.

Q. The first advance?—A. Well, it was this year.

Q. You are speaking of this January advance that was not recognized?—A. No.

Q. The others were?—A. Yes.

By Mr. Fowler:

Q. That was only applicable to a few lines, that 50 cents increase?—A. Exactly.

By Mr. Lancaster:

Q. Was there any other reason why they did not take any notice of this increase in January?—A. Well, it only affected a few lines and they did not alter their price lists on that account.

Q. But if it applied to the ordinary common board that you speak of, that is, what you might call the staple lumber, is it not?—A. Yes.

Q. Every dealer deals in that?—A. Yes.

Q. That would be the lumber the common man would buy?—A. Yes.

Q. You were saying it only affected a few lines, but it would affect every dealer?—A. Yes, but it was not a general advance of all lumber.

Q. But it was an advance on boards, the staple that the poorest man was liable to buy, if he buys at all?—A. Yes.

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By Mr. Fowler:

Q. Would there be any trade in lumber at that time, in January and February?—

A. Oh, yes, in Alberta you see where it is always fine.

Q. It was not this winter?—A. Building goes on all the winter.

Q. They were not using it for fuel, were they, this winter?—A. Well, no.

By Mr. Lancaster:

Q. Had the Calgary people their minds at all on any investigation going to be held similar to this?—A. Well, there were accounts in the paper.

Q. Do you think the newspaper accounts of parliament taking action in this matter had anything to do in preventing the increase in price?—A. Oh, no.

Q. You do not think that was the cause?—A. Oh, no.

Q. I would like to know when they had to pay more for lumber in January they should not increase the price? There was no reason, however, that you can tell us why they should not have advanced their prices on these boards in January—that is the retailers—unless it be that they had plenty of profit at the current price?—A. Well, I see no reason. I do not know why they didn't raise them, but they did not.

Q. Did they discuss the matter?—A. No.

Q. There was no meeting called to discuss the question?—A. No.

By Mr. McIntyre (Strathcona):

Q. But in the other increase in prices they acted immediately?—A. Yes.

Q. They acted immediately on notification of the former increase in prices?—
A. Yes.

By Mr. Crocket:

Q. Did the directors of your association meet at all to take up this question of general increase?—A. Well, it was just the dealers.

By the Chairman:

Q. This is a local association?

By Mr. Crocket:

Q. I thought you were secretary of the Alberta Retail Lumber Dealers' Association?—A. Yes.

Q. Did the directors of that association meet to discuss that question?—A. Well, you see there is only one director in every district.

Q. How many directors were there in all?—A. About eight.

Q. Representing the different sections of Alberta?—A. Yes.

By Mr. Lancaster:

Q. Well, as Mr. Crocket has asked you, did they not meet to consider this matter at all?—A. Well, it is only the local associations in each district.

By Mr. Fowler:

Q. What you mean is that the dealers appoint directors in each district to fix prices, having always in view that clause of twenty per cent, which is the basic consideration?—A. Yes.

By Mr. Lancaster:

Q. These answers that you are giving are only applicable to Calgary?—A. That is the only place I know of.

Q. Did the rest of them outside of Calgary make any advance in January?—A. I suppose they did.

By Mr. McIntyre (Strathcona):

Q. You cannot give any reason why they did not follow their basic principle of 20

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per cent—that is to local dealers?—A. That basic principle of 20 per cent I never heard of until yesterday.

Q. Will you look at Exhibit 4 and tell me?

By Mr. Fowler:

Q. Are you a director as well as secretary?—A. Yes.

Q. Now then, if there is such a basic principle you would know of it, would you not?—A. Yes.

Q. So that there is no such basic principle?—A. No.

By Mr. Lancaster:

Q. Can you identify this Exhibit 4?—A. I cannot identify it. I have never seen it before.

Q. Read the latter half of the first page, indicating the objects of the association. That will tell you whether it is a correct copy?—A. I suppose so; it looks like a copy.

By Mr. Fowler:

Q. I am not quite satisfied about this. Were you here; did you hear the evidence of Mr. McNicol?—A. Yes.

Q. When he states that is the principle you go on, that is absolutely wrong, is it?—A. Oh yes, I have never heard of it before.

By the Chairman:

Q. It has never been discussed in your general meeting?—A. No.

By Mr. Lancaster:

Q. You fixed prices from time to time irrespective of any general principle according to the prices you can get?—A. The way the dealers work it in Calgary they claim it costs 10 per cent to do the business and they have ten per cent left. That is the scale for Calgary. I do not know that there is any basic principle.

Q. These meetings we are asking you about refer to the whole association, we do not want you to limit your answer to Calgary.

By the Chairman:

Q. Was this question of 20 per cent discussed in any of your general meetings?—A. No.

By Mr. Fowler:

Q. Mr. McNicol was very clear about this matter that the association had agreed upon a basic principle of 20 per cent profit. And the director resident in each district, and, he thought, the local dealers, arranged their prices having regard to that?—A. I know he said that, and I asked one of the gentlemen here to question him on that, but he did not.

By Mr. Lancaster:

Q. I pointed out to him at the time and read Clause 5 of these by-laws that you have seen, that it was entirely in the hands of the directors and contrasted his contention to it, but he still insisted on his statement, notwithstanding that I think the by-laws of the constitution rather contradicted him?—A. Well, Mr. McNicol is out there, and I know the impression was in the minds of the committee that was what he said, and I thought so, too. But last night he said that was not the idea he wished to convey to the committee at all.

Q. Clause 5 of the by-laws is headed, 'Price Lists' and is as follows:—

'5. Whereas it is deemed expedient and proper that all members of the association make a price list for the point for which membership has been granted, and that all lumber and timber usually sold shall be according to a price list arranged by the directors'

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That is the way it is always done, is it not?—A. It is arranged by the dealers.

Q. It says that all lumber and timber usually sold shall be according to a price list arranged by the directors?—A. Well, they never followed it out.

Q. There is no doubt that is the by-law that was constituted last February, a year ago?—A. Yes.

By Mr. McIntyre (Strathcona):

Q. Are you speaking now of the Alberta Retail Lumber Dealers' Association, do you not discuss prices at all at your meetings?—A. Local meetings? You see the idea—you must understand that Alberta is a very large province and the districts are divided, there are seven or eight districts. Supposing in Calgary, for instance, the dealers wish to discuss prices, the dealers in Calgary alone would discuss them.

Q. You are missing my point altogether. Is there not a time when your executive, as such, of the Alberta Retail Lumber Dealers' Association meets to discuss general matters affecting retailers?—A. Oh, yes.

Q. You do that?—A. Yes.

Q. At these meetings do you not discuss prices?—A. Yes.

Q. Do you not at these meetings lay down a general principle of gain at which you can fairly operate?—A. No.

By Mr. Fowler:

Q. In what respect then do you discuss prices?—A. Well, we discuss every matter relevant to the province.

Q. We are not talking about other matters but about prices. Stick to that please.—A. Yes.

Q. You have told Mr. McIntyre that you discuss them—in what respect do you discuss them—in what respect do you discuss prices?—A. It is discussed with any other matter that comes up.

Q. You say you do not arrange any principle applicable generally, such a Mr. McNicol points out?—A. Yes.

Q. In what respect then do you discuss prices? You do discuss them—tell us how and in what respect, having regard to what object?—A. Well, you know there are a great number of dealers in Alberta that do not belong to the association at all, and one member will get up and say that some mill is selling so and so, anything like that, that is about the only thing I have heard.

Q. What does that do, what effect does that have?—A. Well, it does not do any good.

Q. You must have some object in doing that, you do not do that without an object?—A. We will discuss that, and the ordinary discussion will come out in print.

Q. Do you not discuss about general prices or the general principle of fixing prices?—A. You cannot talk about general principles, because there is a different price in every town.

Q. We understand all that, but do you not discuss the general principle in fixing prices which will be applicable to a whole district or province?—A. No, never.

Q. You never discussed such a general principle at all?—A. We never did.

Q. And the executive only acts, the directors, in connection with all the districts?—A. Yes.

By Mr. Herron:

Q. Are there any lumber dealers in Calgary who are not members of the association?—A. Yes.

Q. Who are they?—A. Skead & Co.

Q. He is not a member of this Retail Lumber Dealers' Association?—A. Not a member.

By Mr. Fowler:

Q. And is he a general dealer?—A. A dealer generally.

By Mr. Herron:

Q. Does he do a large business?—A. It is a large business.

By Mr. Fowler:

Q. Is it his sole business?—A.—Yes—of course it is very difficult when there are about a dozen of you firing questions at me.

By Mr. McIntyre (Strathcona):

Q. As secretary of the Association is it not your duty to advise the local directors in the various districts, when there is any increase in prices?—A. No, I never know myself when there is an increase in price.

Q. You have nothing to do with that?—A. I have nothing to do with that, the mills advise their own customers.

By Mr. Herron:

Q. Will you say that Mr. Skead is not a member of your association at the present time?—A. At the present minute, he is not.

Q. And never has been?—A. Never has been.

By Mr. Lancaster:

Q. Now, in August of last year, you sent a delegate to the manufacturers' meeting, to the Mountain Lumber Manufacturers' Association, with a series of complaints about them selling to other people out of your association?—A. Yes.

Q. Do you remember that?—A. Yes.

Q. You sent Mr. F. D. Becker?—A. Yes.

Q. You sent a report to people—it looks to me like a circular letter to the members of your association. Will you tell me, looking at that letter—it is dated August 18, 1906—and tell me who that letter was sent to, to what different people it was sent; I apprehend it was sent to members of your association?—A. Yes.

Q. To the members of your Retail Lumber Dealers' Association?—A. Yes.

Q. I see now, Mr. Grogan, you report to them that your delegate, Mr. Becker, brought up the matter 'of the manufacturer shipping lumber at wholesale prices direct to railway companies, mining companies, Dominion or provincial governments, local or foreign trade, elevators or flour mills,' and 'the manufacturers would not accede to our request not to ship them,' stating that the railway timber is nearly all special lumber and a special sawed stock, and that the manufacturers are of the opinion that the retail yardman does not want that business. I think this committee would like to know the cause of your asking that, what you thought the association should have, and what was the difficulty that you were unable to get it. What were you asking for when you sent Mr. Becker to that meeting of the Lumber Producers' Association?—A. In reference to that last clause?

Q. The one I have just read?—A. I suppose they wanted to get all the business they could and handle it all.

Q. Who did?—A. The retailers.

Q. You are complaining of their selling to other than retailers?—A. Yes.

Q. They did not accede to your request according to that letter?—A. No.

Q. Do you think that goes on now? Do they still supply these mining corporations?—A. Yes.

Q. They do?—A. Yes; that is the manufacturers.

Q. They do sell to the railway companies direct?—A. Yes, sir.

Q. And you were asking them not to do so?—A. Yes.

Q. In these exhibits put in yesterday, the price lists of the Manufacturers' Association, certain concerns are exempted, that is to say they are exempted from the restrictions there as to who they are to sell to. This list was not to apply to railway

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companies, mining companies, Dominion or provincial governments, local or foreign trade, but in your letter you also ask them not to sell to elevators or flour mills?—A. Yes.

Q. Have you any explanation to make about that? Was it the elevators or the flour mills, was that the part of your request that they turned down? Or was it the rest? They were always issuing price lists not to apply to the railway and mining companies, the local and Dominion governments, and the local and foreign trade. Your letter to the association says Mr. Becker asked them not to sell to the elevators and flour mills—have you anything to say about that?—A. No, I think it remains just as it was.

Q. Have you anything to say why you asked them not to sell to these people?—A. Just to help the dealers in getting the business.

Q. Simply that the business would have to go through you as the middlemen between the mills and that many more people?—A. Yes.

By Mr. McIntyre (Strathcona):

Q. Were you making any objections except as you have there?—A. We simply wanted the business to go through the dealers.

Q. All the business?—A. Everything; we wanted it all, sure.

By Mr. Lancaster:

Q. All that is in these suggestions, to the railways and other corporations as well as to the elevators and flour mills, which are in your complaint?—A. Yes.

By Mr. Fowler:

Q. You keep minutes of these meetings of yours, do you?—A. Yes; I have them at the hotel.

Q. Will you bring them?—A. Yes.

By Mr. Lancaster:

Q. Your letter winds up: 'Being that the manufacturers turned us down on the above request the writer insisted upon at least giving the retailers an opportunity of selling to elevators and flour mills' ?—A. Yes.

Q. As you did not get the general request in regard to these named in the general exemption you say, 'the writer insisted, &c.' The writer, I think, would be Mr. Becker who made his report to you and you sent his report on?—A. Yes, that is all.

Q. You go on,

'So the manufacturers have now agreed to quote to these two enterprises, \$1 above the wholesale price-list, and as we can buy it at a straight list, it will give us an opportunity of making \$1 per thousand on all elevator and flour mill bills.'

Was not that a fictitious dollar put on there for the purpose indicated in that letter? That is not a legitimate profit, that dollar, is it? I do not know. I want to find out.—A. You see they are paying \$1 more for it than the dealers.

Q. They agree to charge these people \$1 more for it than they were charging them now?—A. Well—

Q. So that the effect of your asking to sell through you, instead of dealing with them was to charge them \$1 more than they otherwise would have charged them?—A. \$1 more than the wholesale price. They would still be buying—

Q. One dollar more than they would have charged them if you had not made complaint that you wanted it to go through you?—A. I do not know what they were charging it for.

Q. Let us read it again. This is a letter written by you to the different members of your association?—A. Yes

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Q. 'The writer insisted upon at least giving the retailers an opportunity of selling to the elevators and flour mills, so the manufacturers have now agreed to quote to these two enterprises \$1 above the wholesale price list, and as we can buy it at a straight list, it will give us an opportunity of making \$1 per thousand on all elevator and flour mill bills.' What does that straight list mean?—A. One dollar less.

Q. If you can buy at that \$1 less it will give you an opportunity of making \$1 per thousand upon all elevator and flour mill bills?—A. Yes.

Q. Now that is to say, this was the result of sending your delegate in regard to that matter to the Mountain Lumber Manufacturers' Association meeting, that they charged the elevator and flour mill mills \$1 per thousand more than they would have if you had not sent that delegate?—A. I could not say what they were charging before.

Q. I do not care whether it was \$1 or 10 cents before, but the result of the delegates attending that meeting was that they are charging one dollar more than if you had not sent your delegate there?—A. I will let it go there, and put it at that.

Mr. A. E. WATTS.—I desire to ask this witness a question. I asked permission before as a privilege, now I demand it as a right.

Mr. KNOWLES objected that the committee did not know who Mr. Watts represented.

The CHAIRMAN suggested that it would be advisable for Mr. Watts to ask his question through a member of the committee.

Mr. LANCASTER.—Tell me what you want to ask and I will put the question.

By Mr. Lancaster:

Q. You know that the flour mills and elevators are not in this list of exemptions?—A. No.

Q. Mr. Watts asked me to ask you if it would not be so, that they would not make that \$1 extra, but the lumbermen, what do you say about the elevator and flour mills?—A. I do not know anything about it as a matter of fact, because it never came before me as regards the flour mills.

Q. There is no doubt you sent this letter from Mr. Becker?—A. Yes.

Q. In which you say, 'Being that the manufacturers turned us down?'—A. Yes.

Q. Being that they turned you down, and turned down that request, and would not arrange that no one but you people could get that stuff, and insisted upon selling free to all, 'the writer' insisted upon at least giving the retailers an opportunity of selling to elevators and flour mills?—A. Yes.

Q. That is to the elevators and flour mills at \$1 above the wholesale price list?—A. Yes.

Q. 'And as we can buy it on the straight list it will give us an opportunity of making \$1 per thousand on all elevator and flour mill orders?'—A. Yes. It gave to the dealers a chance to make \$1 on the price list.

Q. And they are going to charge \$1 more to those people than they would have charged if you had not sent your delegate?

The CHAIRMAN.—That is the manufacturers of lumber?

By Mr. Lancaster:

Q. And they are going to charge them \$1 more than they were going to charge them if you sent your delegate to make the complaint? Is there any doubt about that? That is what the letter says, and that is what I understood you to say before?—A. I do not know anything about it as a matter of fact, I never studied the matter at all.

Q. You signed that letter?—A. I signed it.

By Mr. McIntyre (Strathcona):

Q. Are you conversant with the fact that under these exemptions the railway companies can buy timber at less than the retailers can?—A. I do not know.

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Q. You do not know whether they get the reduction from the consumer's price, or a reduction from the retailer's price?—A. I do not know.

Q. You do not know anything about it?—A. No, sir.

By Mr. Herron:

Q. Did this association ever take any action to prevent contractors from buying lumber direct from the manufacturers? Did you ever take any action of that kind?—A. The dealers in Calgary?

Q. Well, I meant the members of your association?—A. Well, I will take it as a whole, the province. When we started the association we would not allow contractors to join it, but we changed that after a few months.

Q. Then you did take action to prevent the manufacturers from selling direct to the contractor?—A. Yes. When we first started the association we would not allow the contractors to join it, because they were just ordering a car of lumber to build a house. But we found out that they were organizing lumber yards and that it was as well to take them in.

Q. Have you members of the association that are purely contractors and not retailers?—A. Well, contractors carrying on lumber yards are, but they are carrying on contracting business as well.

Q. They must be carrying on a lumber yard?—A. Oh, yes.

By Mr. Knowles:

Q. Where are the planing mill men in this? Do they belong to this organization?—A. The planing mill men?

Q. Yes?—A. Cushing Bros., of Calgary, belong to it, but they have a lumber yard.

Q. Do you know whether the planing mill men generally belong to the association, or have they an organization?—A. I could not say.

Q. Have you any belief on the matter?—A. I cannot say, I do not know anything about it.

By Mr. Crockett:

Q. It is necessary for a man to own a lumber yard in order to be able to join the association?—A. Oh, yes, he must carry a stock of lumber sufficient for the requirements of his district.

By Mr. Herron:

Q. Are the Western Planing Mills Company members of your association?—A. No, sir, they do not carry lumber.

Q. Did they ever apply to become members?

By Mr. Knowles:

Q. Where did they buy their stock from?—A. They buy it from the retail dealers.

By Mr. Lancaster:

Q. Did the dealers ever supply the elevators?—A. I could not say, I do not know anything about that elevator business at all.

Q. You are a retail dealer?—A. No, I am not.

Q. Well, you know of them?—A. Yes, I know of them.

Q. You are secretary, and represent them in that capacity?—A. Yes.

Q. You do not know yourself whether they ever did sell to the elevator men?—A. I do not know; I could not say. I do not know anything about that elevator business at all.

By the Chairman:

Q. Do you know whether there are many dealers in Alberta, outside the members of your association, retail dealers?—A. Oh, yes; there may be 30 or 40.

By Mr. McIntyre (Strathcona):

Q. In your business, you say you are a jobber in builders' supplies?—A. Yes, sir.

Q. Do you handle lumber?—A. No, sir.

Q. Not at all?—A. No; metal supplies, paper, &c.

By Mr. Lancaster:

Q. Do you know anything about the schedule of prices on which the elevators or flour mills are supplied, as distinguished from your schedule?—A. I do not know anything about elevator prices.

Q. Or any other schedule of prices?—A. No, sir.

By Mr. Knowles:

Q. There are elevators in Calgary, of course?—A. Yes.

By Mr. Fowler:

Q. Are contractors allowed to join your association now, even though they do not keep a lumber yard?—A. No; they must keep a lumber yard.

Q. Or they cannot buy from the manufacturers?—A. No, sir.

By Mr. Sloan:

Q. Now, about this extra dollar that the elevator and flour mill men pay, does the retailer in that particular section get that back in the shape of a rebate every month, or does the manufacturer get that dollar for himself?—A. The way I look at that is this—if the manufacturer is quoting \$1 over the list price, it allows the retail dealer in the town to get the business. That is the only way I can see it.

Q. Supposing the elevator people deal direct with the manufacturer, does the retail dealer of that town get that back as a rebate, or does it go direct to the manufacturer?—(No answer.)

By Mr. Fowler:

Q. Supposing the elevator man orders direct from the mill; he pays \$1 more than a dealer would pay?—A. Yes.

Q. Does that \$1 go into the pocket of the manufacturer he buys from, or is it sent to Calgary, say, to be divided up amongst the dealers there?—A. I should think now if a man is going to start an elevator in any town he would go to the dealer and get his lumber—

Q. But supposing he did not go to the dealer, but went direct to the mill and paid \$1 more per thousand to the manufacturer?—A. The manufacturer gets that, I should think; but I do not know anything about it.

By Mr. McIntyre (Perth):

You believe the truth of those statements which you put in that letter when you signed it—that circular letter?—A. That letter is a copy of a report from the delegate of the association.

Q. You signed it?—A. Yes

Q. And you believed the statement to be correct when you sent it?—A. Certainly.

Q. Have you more than one yard yourself?—A. I have not any yard, only the back yard to the house.

Q. Do you know of any milling companies having yards of their own in various towns?—A. There are lots of yards.

Q. Do you know of milling companies having their own yards in different towns from which to sell lumber?—A. Oh, yes.

Q. That system exists?—A. Yes.

Q. Do you know anything to limit, or any case that would limit the number of dealers in a town?—A. There is nothing at all.

Q. You know of nothing?—A. As many dealers can start as like to.

Q. Has that always been the case?—A. Always the case.

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By Mr. Crocket:

Q. The effect of the dollar increase is to restrict the trade of the elevators and flour mills to the local deal?—A. Oh, yes.

By Mr. Sloan:

Q. Prior to the incorporation of this association in 1906 was there any understanding or arrangement among the retailers with regard to prices?—A. I do not know anything about the association before that time, I was not associated with it, and I do not know anything about it.

By Mr. Lancaster:

Q. How do you account for the association being formed at that particular time, February, 1906?—A. Well, some of the dealers in Alberta were members of the Western Retail Dealers' Association with headquarters in Winnipeg, and the annual meeting was being called, and the members of this association, the Western Retail Lumber Dealers' Association, thought it best to have their own association in their own province.

By Mr. Sloan:

Q. Prior to 1906 the retail dealers in Alberta belonged to the Western Association?—A. Yes.

By Mr. Lancaster:

Q. Which had jurisdiction over your territory?—A. Yes, over Alberta and Saskatchewan.

Q. You were summoned to produce the report from Mr. Becker of the 18th August, being the account of the Mountain Lumber Manufacturing Association meeting held on the 8th of August, have you that with you?—A. I haven't it here with me.

Q. It is in town?—A. Yes, it is in town.

Q. It is a pity you did not bring it here.—A. That is a copy of it.

Q. What I have read here is that it?—A. It is an exact copy.

Q. You will swear to it?—A. Yes

Q. It says, Mr. Becker, 'brought up all the different complaints that our association wanted to make, and I will enumerate them as follows: The Elk Lumber Company have been practically the only offenders in shipping lumber direct to consumers, contractors, and also a shipment has been made to the Innisfail town.' That is they were buying for bridges or something of that kind?—A. I think it was the city.

Q. It was the municipal council?—A. The council.

Q. Buying for the public streets or something like that?—A. Yes, something like that.

Q. Do I understand that you people object to the manufacturers—the Mountain Lumber Manufacturers' Association—selling direct to the municipalities on the ground that that business should go through you as retail dealers, too?—A. Yes.

Q. You made a complaint that they should not—you claimed they should not sell direct to the municipality for streets and bridges?—A. Yes, I think that was it.

Q. Then the report goes on, 'The outcome of our discussion in reference to this firm was that a committee of the following four gentlemen, namely, P. Lund, A. Leitch, Mr. Dulmage and G. P. Wells, were sent to Fernie to wait on Mr. Boynton, who is the manager of the Elk Lumber Company. The Elk Lumber Company have now agreed to stand by the two associations, and will in future ship lumber to none other than legitimate deals.' What two associations were they to stand by?—A. The Mountain Lumber Manufacturers' Association and the Alberta Retail Lumber Dealers' Association.

Q. That is to say, stand by the wholesalers and retailers both; is that what it means?—A. I suppose so.

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Q. To stand by both—give an explanation of what that means to the committee. It may be a technical term; what do you mean by standing by the wholesalers on the one hand and the retailers on the other?—A. I mean just shipping direct to the dealers.

Q. How would they be standing by the wholesalers and retailers? I do not know what that expression means myself, it is not an expression I am familiar with?—A. 'Stand by.' Neither do I. But I should think that the mills should ship only to the dealers.

Well, to stand by—here is a phrase that wants to be explained. Does he stand by the producer or the middleman? What does that mean in practical results? I think we ought to know what you say about that?—A. I have just told you.

Q. Does it mean that they are to give mutual benefit to the lumber dealers, whether wholesalers or retailers?—A. To ship only to dealers.

Q. To stand by both the Manufacturers' Association and the Retailers' Association?—A. Yes.

Q. Does that mean that anything they should do was to be for the mutual profit of those two concerns?—A. What they were to do was to ship lumber only to the dealers.

By Mr. McIntyre (Strathcona):

Q. Is there practically an agreement between the wholesale dealers and this company, under which you would consider it as breaking faith with the wholesalers by selling to the trade?—A. Yes.

Q. And also it would be breaking faith with the retailer?—A. Yes.

Q. Then there is an agreement between the two associations?—A. There was; I do not know whether the Elk Lumber Company sees it the same way as the association; I do not think they do.

Q. You mean the Mountain Association?—A. Yes; I do not think the Elk Company see it in the same way.

Q. And you brought them into line with the Retail Association?—A. No; they are shipping lumber right through direct every day.

Q. They agreed to come in line?—A. Yes, but they didn't come.

Q. Then it goes on to say, 'They,' that is the Elk Lumber Company, 'will in future ship lumber to none other than legitimate dealers?'—A. Yes.

Q. Do you understand they live up to that?—A. I am sorry to say they do not.

Q. You mean to say that this pressure or coercion had the effect of making them agree to ship to no other than legitimate dealers—what does that mean, 'legitimate?'—A. A man who carries a stock of lumber commensurate with the requirements of the trade in the district.

Q. That is the definition you would put upon that word 'Legitimate'?—A. Yes, not carrying on a dozen of other different kinds of businesses.

Q. You mean not a jack of all trades, but a legitimate lumber dealer?—A. A legitimate dealer, a man that carries a stock of lumber.

Q. Does it exclude a man who is in any other business besides the lumber business?—A. No.

Q. "Their reason for shipping lumber to the contractors in Southern Alberta was, that the Association was formed very quickly, and as they had been shipping lumber to contractors for some time, it was a hard matter to break off very suddenly, and rather than have their old customers become antagonistic, they concluded to ship them a few cars and then gradually drift away from this sort of trade. Their reason for shipping lumber to Innisfail—"

Innisfail, that is the Municipal Council that wanted to buy lumber for building bridges and sidewalks and you objected to the manufacturers selling direct to them?—A. Yes.

Q. 'Was that they sold the lumber through Skead & Co., who were formerly lumber dealers in Calgary, and when this firm placed an order with them, they did

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not hesitate to ship it. They are now very clear on this matter and have promised faithfully not to ship to anyone but legitimate dealers.' Does that mean that the result of that pressure was that the company was prevented from selling to any municipality at all for roads, sidewalks, &c?—A. Well, as far as I can remember about that, yes, that is the agreement. It goes through the dealer.

Q. That even if it was going to build sidewalks and bridges the municipality must buy through the retail dealer?—A. The retail dealer should get the business?

Q. Your association insisted on it going through him?—A. Yes.

Q. And they agreed to all that—the Elk Lumber Co.,—and that they should sin no more?—A. And they have been sinning steadily ever since.

Q. And they are still doing this obnoxious thing, selling to the municipal councils?—A. Yes.

Q. 'The question of Skead and Co., not being legitimate dealers was thoroughly threshed out, and the manufacturers have assured us that this firm could not buy any more lumber at their association mills.' Does that mean that you convinced the association, or Mr. Becker did, that Skead and Co. were not to buy any more lumber?—A. Skead and Co. were not dealers at that time.

Q. The manufacturers have assured us that this firm could not buy any more lumber at their association mills?—A. They were not lumber dealers at that time.

By Mr. Herron:

* Q. He was surely a dealer at that time?—A. No, he was not a dealer.

Q. Are you sure of that?—A. I am positive of it.

Q. You are wrong because Mr. Becker in your own report says that the Elk Lumber Company gave as an excuse and an answer to the charges of selling to the municipality that they sold the lumber through Skead & Co., who were legitimate dealers?—A. They were not in business, but were acting as agents before the association got started.

By Mr. McIntyre (Strathcona):

Q. Would your association recommend any patronizing of a wholesale firm who were selling to anyone outside the trade, to anyone outside a legitimate dealer?—A. Would they what?

Q. Would they advise a practical boycott of anyone who did not sell to a legitimate dealer?—A. Well, if a mill was shipping lumber to a consumer in a town why practically the dealers would have nothing more to do with that mill, and that is right, too.

By Mr. Herron:

Q. Do you say that under this agreement some of the manufacturers had broken faith with the association, and then came in again and agreed to stand by the two associations. Who were these two associations you refer to?—A. Well, Mr. Herron, we have gone through all this at this end of the table, now start it over again down at the other end.

Q. Well, we did not hear it at this end.—A. The two associations are the Alberta Retail Lumber Dealers' Association and the Mountain Lumber Manufacturers' Association.

Q. They agreed to stand by these two associations? Now, having agreed to stand by the associations then they are not allowed to sell to anyone except those who are members of the retailers association, is that the meaning of it?—A. They agreed to stand by the two associations and sell only to retail dealers, not necessarily to members of the association.

By Mr. Sloan:

Q. Your association was formed, primarily, for the purpose as far as possible of parcelling out those various districts, starting yards there, and intimating to the

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mills that the members of the association were the only people to be sold to, that you were in a position to boycott them practically?—A. That the mills would sell only to dealers. Do not let that be misunderstood. The Mountain mills can sell to any dealer, we do not care whether they are members of the association or not as long as they are dealers.

Q. Your association, as an association, have used your influence with the mills to sell only to the members of the association—have you not done that?—A. No, we do not do that.

By Mr. Fowler:

Q. Do you allow as many people to start up as dealers as wish?—A. As many as may like to.

Q. Was there not at one time some attempt to limit the number?—A. I believe some old association made some such attempt, but that has never been done by this one.

By Mr. McIntyre (Strathcona):

Q. How is a man who never entered the business to commence? You say he must commence by joining your association and that he must be a dealer in order to join?

By Mr. Lancaster:

Q. He has got to be a dealer before he joins, and yet he can't join until he is a dealer?—A. That depends entirely.

By Mr. Fowler:

Q. Why did you kick on Skead, then?—A. He never asked to join.

Q. Why, you objected to the Mountain Lumber Manufacturers' Association selling to him?—A. He was not a dealer at the time.

Q. But the manufacturer writes there that he was a dealer?—A. He had not a retail yard.

Q. Then what the deuce is he going to do with his lumber if he doesn't have a yard to put it in?—A. He sells in carload lots.

Q. Just as he gets the orders?—A. Yes.

Q. A kind of curbstone broker?—A. Yes.

Q. And you objected to that?—A. Certainly.

By Mr. McIntyre (Strathcona):

Q. I am asking the question how a person, not engaged in the retail business, but who wants to commence, how is he to go about it?—A. A man can come to me and say: I am going to start a yard, and I give him an application form.

Q. And he becomes a member?—A. He becomes a member.

Q. But supposing he does not choose to come to you?—A. He could not become a member.

Q. He could not become a retail dealer?—A. Yes, he could; but not a member of the association.

Q. Yes; but I am speaking about a person commencing in the retail business?—A. Yes.

Q. You said a moment ago, in answer to my question, that if they sold to any one other than a dealer you objected?—A. Yes.

Q. That the retailers' association would advise the mill being boycotted—that they would boycott the mill that would sell in that way?—A. Yes.

Q. Now then, the next question comes, how is a man to proceed to become a retail dealer, if he does not approach the association and ask for an application form? How otherwise might he become a retail dealer?—A. By ordering a few cars of lumber, that is the way a retailer starts.

Q. But you say a mill must not ship to this man, as I understand it?—A. To a consumer; he is not a consumer—he is going to be a dealer.

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Q. Is the mill justified in taking that man's statement that he is commencing in business?—A. That is their lookout.

By the Chairman:

Q. Would they be standing by the associations?

By Mr. McIntyre:

Q. Would they be standing by the association, as the chairman suggests, if they took the word of that man that he intended to start a yard?—A. Yes.

Q. They would be?—A. Yes.

Q. Notwithstanding that he was not a member of your association and did not apply for membership?—A. Yes.

By Mr. Fowler:

Q. The Canadian Pacific Railway, about 1904, I think it was, posted up in the depots or station houses a list of prices of lumber, did they not?—A. Yes.

Q. Do they follow that custom now?—A. I do not think so.

Q. You do not think so?—A. No.

Q. Do you know anything about a circular letter signed by the Retail Dealers' Association which contained a penalty clause, and which circular was destroyed?—A. That was before my time.

Q. You do not know anything about it?—A. No.

Q. You never heard anything about it?—A. Not since I have been connected with the association.

Q. You receive as secretary of the association, this circular list from the Mountain Lumber Manufacturers' Association, do you not?—A. No.

Q. You do not receive any at all?—A. No.

Q. That is what I refer to, did you ever see one of those (exhibiting card) which were posted up by the Canadian Pacific Railway?—A. I have seen those, I think they put them out just as a bluff.

Q. Is that your explanation of that?—A. I do not know anything about it, it was before my time. I guess it was.

By Mr. Herron:

Q. That card was taken out of one of the railway stations?—A. It is dated 1904.

Q. What do you mean by saying that is a bluff?—A. I do not know anything about it, it was before my time, they never carried it out.

By Mr. Lancaster:

Q. You do not mean that that card meant nothing?—A. It was posted up once in the station, as far as I can remember, and the whole thing was dropped.

By Mr. Fowler:

Q. I have not understood yet how a man becomes a retail dealer under your definition of the term. You say you will not allow a man to be what we call a 'curbstone broker' and buy lumber by the carload as his orders are received. For instance, supposing I go around among the contractors, and then send in their orders to the mills to ship the lumber consigned to the contractor to my order. You will not allow me to do that, you will not call me a dealer at all?—A. No.

Q. I must have a yard, who will limit the yard—I must have a yard to hold the lumber and pile it there. You will not allow me to send the cars direct to the contractor?—A. No, he could not unless he had a yard you see.

Q. If he had a yard it would not make any difference whether he ever piled a stick of lumber in it?—A. He must have a yard with a stock in it.

Q. What amount of stock, any particular amount?—A. No particular amount.

Q. A couple of boards would do, or a bunch of shingles?—A. He must have a stock of lumber in conformity with the requirements of the town.

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Q. If you have seven or eight dealers in a town they could meet all the requirements of the town?—A. Yes, but he has a perfect right to come in.

Q. But what particular amount must he have before he comes in?—A. No particular amount.

Q. He must have a yard first?—A. Yes.

Q. What sized yard?—A. He must have a yard.

Q. I know, but what size must the yard be? He must have a yard, but he is not required to pile lumber in it?—A. He must pile lumber there.

Q. But what particular amount?—A. Oh, no particular amount.

Q. Do you not think it is rather absurd?—A. Of course, you have pulled it rather long when you talk about a bunch of shingles and one board. He must get a yard in conformity with the requirements of the district.

Q. But there might be seven or eight dealers in the town already meeting the whole requirements?—A. Yes, but they have to have a stock, and he would have to have the same amount of stock as they have.

Q. What I want to get at is this; you say you would not allow a man to take orders from contractors and ship direct to the contractors; you would claim in such case that he was what we, in the stock market, call a 'curbstone broker'?—A. He must have a lumber yard.

Q. But you have no condition as to the size of the yard or the quantity of stock to be carried?—A. No.

By the Chairman:

Q. Have you any check whatever upon the number of yards that may start in a town?—A. No, sir; we have nothing at all of that kind.

By Mr. Herron:

Q. You say that the lumber yard must be in proportion to the requirements of the district?—A. Yes.

Q. And now you say that it makes no difference what kind of yard it is as to size?—A. It is a condition that he shall have a yard and a stock to meet the requirements of the town.

By Mr. Fowler:

Q. You said there were no provisions as to the size of the yard?—A. No; but I say there must be a suitable stock.

By Mr. Crocket:

Q. But your association have complained to the Mountain Association for selling to dealers who were not members of the association?—A. No.

Q. Do you say they never have?—A. No.

Q. And you do not object to their doing that?—A. No.

Q. What is the object of your association?—A. So that they would sell only to legitimate dealers.

Q. What do you mean by legitimate dealers—members of your association?—A. No, it does not mean that at all.

Q. But dealers having a yard?—A. Having a yard.

Q. And what is the object of your association?—A. To stop them selling to the consumer.

Q. To stop them selling to the consumer?—A. Yes.

Q. But you do not care about them selling to dealers who are not members of the association?—A. We do not care at all; as I say, there are 30 or 40 dealers that are not members of the association.

Q. You heard one of the witnesses say yesterday that there were only six or seven dealers who were not members of the association?—A. He was only referring to the southern district.

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Q. He did not say there were only six or seven in Southern Alberta that were not members of the association?—A. I believe he did. He was referring to one of the firms there that had seven yards, and did not belong to the association.

Q. So that there is only one firm in Southern Alberta that does not belong to the association, is that right?—A. No, it is not.

Q. How many are there in Southern Alberta who are not members of the association?—A. I do not know how many there are in Southern Alberta, but I would say in Alberta there are thirty or forty.

Q. What firm was this Mr. McNicol was referring to?—A. Rogers, of Lethbridge, who has six or seven yards.

Q. Can you name any other firm in Southern Alberta who are not in the association?—A. Mr. Watts.

Q. I think he was here as a wholesale dealer and representing the wholesale dealers?—A. He has a yard now at Lévis.

Q. He had a yard?—A. I do not know whether he is there now or has sold it.

Q. Has he a yard there now?—A. I could not say.

Q. Can you name any other dealer than Watts and Rogers in Southern Alberta who is not a member of the association?—A. Yes, McLaren at Macleod.

Q. He is a mill man too, is he not?—A. He has a retail yard there.

Q. But he is a manufacturer there also?—A. He has a retail yard there.

Q. And Mr. Watts is a manufacturer also, is he not?

By Mr. Sloan:

Q. You say there are thirty dealers in Alberta who are not members, have you a list of those dealers?—A. No, I say about that.

By Mr. Crocket:

Q. Are there any dealers in Medicine Hat who are not members?—A. There are two dealers there.

Q. Who are they?—A. C. Lean and Finlay & Co.

Q. Your association never attempts to control the dealings, in any way, of the Mountain Lumber Manufacturers' Association with those dealers who are not members of your association?—A. No, not at all.

By Mr. Sloan:

Q. Have you ever made any attempt to control the supply to those dealers?—A. No, sir.

Q. Does not your association fix the prices between your association and the Manufacturers' Association, and those prices, which you agree on, are the prices at which the manufacturers must sell to the dealers who are members of the association, as well as those who are not members?—A. No, sir.

Q. You say that is not so?—A. That is not so.

Q. Will you explain to me where the protection comes in to the members of your association from your organization?—A. A body of men is stronger than any single individual.

Mr. Lancaster:

Q. Stronger to obtain what though? He wants to know what they are stronger to obtain for themselves?

By Mr. Crocket:

Q. If you do not accomplish that then what benefit do you derive, if you leave it open to the manufacturers to sell to dealers that are not members of the association at whatever figures they like?—A. All we ask from them is not to sell to the consumer.

Q. And do you not seek to control their price to dealers who are not members of the association?—A. No, sir.

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Q. As a matter of fact, do they not sell at the same price to all dealers?—A. To all dealers.

Q. That is the actual price that is fixed by agreement between your association and the manufacturers' association, and that is the price to all dealers in Alberta?—A. There is no scale of prices fixed between our association and the Mountain mills. The Mountain mills send out their own price list.

Q. And you have to abide by it?—A. You have to abide by it or you do not get the lumber.

By Mr. McIntyre (Strathcona):

Q. Do you say if you do not abide by the price list—is it the consumer's price list that is submitted to you by the mill men, do they dictate the selling price to the consumer?—A. Who?

Q. The mill men?—A. No.

Q. It is the wholesale price you speak of?—A. There is just one price list made out for the trade.

Q. And that is the price at which the retailer purchases from the wholesaler?—A. That is the price.

By Mr. Lancaster:

Q. I am told that you have, as secretary of the association, written letters to the manufacturers, to the wholesalers, complaining that they were selling to dealers who were not members of your association?—A. No, sir.

Q. You never wrote such a letter, you are sure of that?—A. I am positive.

Q. Do you keep a letter-book?—A. Yes.

Q. Have you it with you?—A. Yes.

Q. And you never wrote letters to the manufacturers' association or any lumber producers?—A. The whole correspondence is with Mr. Wells, the secretary, at Nelson.

Q. Did you ever write individually to any of the companies that form the association?—A. No.

Q. Complaining that they sold to those that were not dealers?—A. We simply wrote to Wells; we have written to him about the Elk River Lumber Company selling to consumers.

Q. Have you written about their selling to dealers not members of your association?—A. No.

Q. You never wrote such a letter?—A. No; I do not remember.

By Mr. Fowler:

Q. Do you know the firm of Rooney & Odmark?—A. They are contractors in Lethbridge.

Q. They are not dealers?—A. Well, they are dealers now, I think.

Q. Do they belong to your association now?—A. Well, I could not say; I believe they do, but I could not say.

Q. You might look that up and see?—A. Yes.

Q. Did you make any complaint with respect to them?—A. Yes.

Q. You made a complaint?—A. Yes.

Q. Who did you complain to about them?—A. We complained to Mr. Wells.

Q. The secretary of the Mountain Lumber Manufacturers' Association?—A. Yes.

Q. You wrote him a letter?—A. Yes.

Q. Will you have that letter here?—A. Yes.

By Mr. Schaffner:

Q. Did I understand you to say you did not discuss prices in your association?—A. We discussed prices or anything else.

Q. You discussed prices—do all retail men in Calgary sell at the same price?—A. I believe they do, they might have two or three favoured contractors.

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Q. Do they sell at the same price?—A. I think so.

Q. How do they come to do that if you do not discuss it and make an agreement among yourselves. How do you arrive at it?—A. As I said when I started my evidence, when the mill men notify the dealers there is an advance in prices they meet and discuss the matter. That is the Calgary men, the next place they will do the same.

By Mr. Fowler:

Q. That is the directors of the association, they meet with the members of the association?—A. Yes, I'll be there, just the dealers discuss the prices.

By Mr. Crocket:

Q. You are expected as director representing the district, the directors of that association are expected to make arrangements with all the dealers and fix a uniform price for that district?—A. The dealers make the prices.

Q. But is not the director, as a director, expected to arrange a scale of prices applicable to that particular district?—A. No.

Q. Did you not hear Mr. McNicol say that yesterday?—A. I believe I did.

Q. Do you contradict him?—A. I do not contradict him, but I say this that in the district there will be two dealers in one town, and another dealer twenty miles away, and still another dealer in a town forty miles away. They come together and raise their prices according to the advance.

Q. The director is looked to by the association first to bring about some arrangement for fixing a uniform price in their several districts?—A. I believe he is.

By Mr. Fowler:

Q. He has charge of it?—A. He has charge of it? Probably he would not see one-half the district, they might arrange their prices and he would know nothing about it. It is the dealers themselves that arrange the prices.

By Mr. Lancaster:

Q. The dealers in the association, I suppose, know the by-law. That by-law—you are not swearing that that by-law is nugatory or obsolete?—A. Which by-law?

Q. By-law No. 5 which says, 'Whereas it is deemed expedient and proper that all members of this association make a price-list for the point for which membership has been granted, and that all lumber and timber usually sold shall be according to a price-list arranged by the directors,'—you work under that by-law?—A. Oh, yes, but they do not work it out exactly in that way, that is all.

Q. That by-law has never been repealed or amended, has it?—A. No.

By Mr. Sloan:

Q. In the case of dealers who are members of the association and those dealers who are not members, is there any arrangement between them regarding prices?—A. Yes, they come together, the dealers who are not members of the association.

By Mr. Lancaster:

Q. Does Mr. Wells, the secretary of the Mountain Lumber Manufacturers' Association, send you circulars from time to time?—A. No, we do not get any circulars from him.

Q. You do not get any circular list, did you get a letter like that (producing document) last April from Mr. Wells, April 9, 1906?—A. No, I did not get that.

Q. Or one like that?—A. Nor one like it, I never saw it before.

Q. Do you know of any special reason for the rise in the price of lumber made by the manufacturers as against you people, last April?—A. There was one in the spring, I think, two in the spring, I do not remember the dates.

Q. You know of no particular reason for those rises as you have told us already?—A. No.

By Mr. McIntyre (Strathcona):

Q. There was submitted yesterday a price-list for the Edmonton and Strathcona dealers, a retail price-list?—A. Yes.

Q. Where would that retail price-list originate?—A. Right in Strathcona or Edmonton.

Q. It would be settled by the local dealers?—A. By the local dealers, yes.

Q. Is not a director of your association, one of them, located in either one of these towns?—A. Yes.

Q. Is he not supposed to be the active agent of the retail association in controlling, in some way, the local dealers?—A. No, he is just a director.

Q. Is he not the adviser from your association, so to speak, to the local dealers?—A. Yes.

Q. He fixes them, and very probably reports to your association the wishes—what your association would like?—A. Yes, that is right.

Q. So to speak, as to what prices the local dealers may charge?—A. That is left to the dealers themselves.

Q. It is left to themselves, it is true?—A. Left to the dealer.

Q. That is, the dealers of the locality will determine the price?—A. Yes.

Q. But does not the very fundamental action come from the director?—A. No, he does not know anything more about it than the others.

Q. They get no information at all from him?—A. No, he is advised by his mill, the mill he does business with, and they forward him the information the same as any other retail dealer.

Q. You say the director will have nothing more to do with the fixing of the prices in the locality than any other dealer?—A. No.

By Mr. Schaffner:

Q. Mr. McNicol said yesterday that the profit was on the basis of 20 per cent, and you say that is not right?—A. I do not say that was not the basic principle of the association. I said that in Calgary they worked on a 20 per cent basis. That has nothing to do with the association, as a general rule, to lay it down as a principle.

Q. You say they all sell in Calgary on that basis?—A. They fixed 10 per cent as the cost of doing business and 10 per cent profit.

By Mr. Lancaster:

Q. And that would be the course they pursue? Was not that 20 per cent?—A. That would be the course.

By Mr. Crocket:

Q. In fixing the rate in Calgary, did you call in the Rogers people as being dealers who were not members of the association?—A. No.

Q. Did you call them in and confer with them in regard to fixing the rate?—A. In Calgary?

Q. Yes?—A. No; they had not anything to do with Calgary.

Q. Are you not a director in the district covering the Rogers people?—A. No; I am a director just to make a quorum when there is a meeting. I am the secretary-treasurer.

Q. What about Mr. Skead, did you call him in?—A. No.

Q. Then there is no other dealer in Calgary who is not a member of the association?—A. No.

Q. So that in regard to Calgary you have not called in Mr. Skead in fixing the rate, but only the members of the association?—A. Well, he is the only other one.

Q. You told us some time ago you called in those who were not members as well as the members?—A. No, I say they get together. I was referring to the outlying districts where there is no director. Take a town where there is one dealer who is a member of the association and another who is not a member, they will get together and fix the prices.

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Q. You are a director in the Calgary district? Are you the director representing the Calgary district?—A. No.

Q. Who is?—A. Mr. Stewart.

Q. Did you not tell us a moment ago that you were a director of this association?—A. I said I was a director to make a quorum. I am the secretary-treasurer, and therefore a director for the purpose of making a quorum at a meeting. We have a director in Calgary, Mr. Stewart, and the vice-president, Mr. Becker.

Q. In regard to Calgary, there is just one dealer who is not a member of the association?—A. Yes.

Q. And that dealer was not called into the conference in fixing the rate?—A. No.

By Mr. Herron:

Q. Does he maintain the same rates as you have?—A. I suppose so; I could not say.

Q. Have you a printed list of rates?—A. Yes.

By Mr. Lancaster:

Q. How often do you print it?—A. Whenever there is a change.

Q. You often had to make a change last year?—A. Two or three times.

By Mr. Sloan:

Q. Do you remember the dates you made the changes?—A. A couple of times in the spring and once in the fall.

By Mr. Fowler:

Q. Will you bring that list at the next meeting?—A. Yes.

By Mr. Herron:

Q. How often are your meetings held?—A. We have an annual meeting.

Q. Have you meetings at any other stage except the annual meeting?—A. The only meeting is the annual meeting, that is the regular time when the meeting is called. We had one meeting of the directors at Edmonton. The Edmonton dealers did not belong to our association, they had been members of the Western Retail Lumber Dealers' Association, but their certificates ran out and we went up there and they joined our association.

By Mr. Sloan:

Q. The retail association have an annual meeting?—A. Yes, and the directors are appointed from that meeting.

Q. And they hold meetings throughout the year?—A. Yes. The only meeting I remember was the one we had at Edmonton.

By Mr. Herron:

Q. You have the minutes of your meetings?—A. Yes.

Q. You have them with you here?—A. Yes.

By Mr. Crocket:

Q. I suppose you receive a great many letters from the secretary of the Mountain Association?—A. Yes.

Q. You will bring all those, I suppose?—A. Yes.

By the Chairman:

Q. You were asked to bring all the papers, books, documents, &c., connected with the association and especially the report of Mr. F. D. Becker, dated the 18th of August, 1906, being the report of the meeting of the Mountain Lumber Manufacturers' Association?—A. Yes, I have them.

Witness retired.

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Mr. F. D. BECKER, manager of Staples & Co., Limited, Calgary, sworn.

By Mr. Lancaster:

Q. Where do you live, Mr. Becker?—A. Calgary.

Q. What is your business, sir?—A. I am secretary-treasurer and manager of the Staples & Company, Limited.

Q. Staples & Company, Limited, is a lumber dealing firm, is it?—A. Yes.

Q. Retail or wholesale, or both?—A. It is retail, and I do a small jobbing business, if you care to call it wholesale, I do not know what you would call it.

Q. That is the company that you are secretary and manager of does that? It is an incorporated company?—A. Yes.

Q. It is practically under your control?—A. As manager, under the superior officers of the company, I am subject to their report.

Q. Are you president of it also?—A. I am secretary-treasurer and manager.

By Mr. Fowler:

Q. Where is it located?—A. At Calgary.

Q. Who is the president?—A. Otis Staples.

Q. Is he resident there, too?—A. No.

Q. I mean Mr. Staples?—A. No.

Q. He does not live in the province?—A. No.

Q. Is he the principal owner and proprietor?—A. No.

Q. Are you?—A. No.

Q. Are there many stockholders?—A. Seven or eight. I can give the names if you wish.

By Mr. Crocket:

Q. Are they Canadians?

By Mr. Lancaster:

Q. Is it American, Canadian or British Capital, that is in it?—A. American—just let me enumerate—one Canadian stockholder, or possibly two, I do not know.

Q. The majority of the stock is in the United States?—A. The majority is American.

Q. Who is the Canadian stockholder?—A. I can mention one, F. P. Davis, who lives in New Brunswick somewhere. That is, he lived there some years ago, and he is postmaster of a little town, so he must be Canadian; there may be others, but I do not know.

Q. How long has your concern, Staples & Co., been engaged in this business in Calgary?—A. December 4, 1905, the company was incorporated, and it began business a month or so earlier.

Q. It began in the end of the year 1905?—A. Yes.

Q. That is a little over a year ago?—A. Yes.

Q. Were there many concerns began business at that time among the different retail lumber dealers throughout that territory?—A. I do not know what you mean.

Q. Were there a lot of them established about that time, at the end of the year, that did not exist before?—A. Well, quite a few, yes.

Q. And there seems to have been an association formed, according to the last gentleman who was examined, in February, 1906, and I suppose the necessity was found for it by virtue of the number of dealers established there?—A. Make that plain to me now.

Q. Was there a sudden increase in the number of retail dealers in that part of the country in the end of 1905, or the beginning of 1906?—A. Well, now, I would like to say that Alberta is a growing country, and I do not know, but no doubt there were a number of yards started up to meet the requirements.

Q. Well, there was an association formed in 1906, was there not? Do you know any reason for knowing why it was so formed especially at that time?—A. Yes

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Q. What do you say was the reason for that association being formed at that time?—A. We as retail dealers buy from the wholesalers, as you know. Now at different times, grievances crop up such as this. In buying lumber from the mills, it is brought from British Columbia, we have to be careful and watch that we give the consumer what he requires and there is a good deal of difficulty with regard to the grading. Now, if the sheeting, we will say, is not good enough, I cannot go to every mill individually and say: Here, I want better boards; they will say that the boards are so and so, and that is our grade. Of course, I can go to another man and his grade is a little different still. Well, the sum and substance is I have to take lumber from this man and that man, that is presumed to be about the same grade——

Q. That is to get the proper grade of lumber? Is that the object of the association?—A. That was one.

Q. Or what other objects had you in forming it?—A. Well, the credit business—now there are two dealers in the town, one a large and the other a small dealer. Now, you are a big dealer, and you can stand it to give a man ten months credit, whereas I can't stand it a week. I talk to you and I say: 'Here, I can't stand this. I would like it if you would sell on shorter time. Give me a chance to live.' Of course, you may tell me to go plumb to thunder——

Q. The association was to control this, so that one man would not sell on longer credit than the other?—A. Not to control, but to make suggestion.

Q. But to the extent of giving each dealer the same privilege as to credit?—A. Not even that. I can give as much credit as I want, but I would be more of a gentleman to concede to the other man's wishes.

Q. And then the object of the association would be, under the penalty of not being called a gentleman, to do as the other men do? You would be called no gentleman if you did not do in regard to credit for instance what your competitor did? Was the object of your association to fix the price you charged for lumber?—A. Of the association? No.

Q. Well, what you have told us isn't in the acknowledged declaration of the purposes for which the association was formed?—A. Well, I have not finished.

Q. I will read you the declaration of the purposes for which the association was formed. (Reads declaration of purposes in constitution of association.) The principle object, according to that of this association was to regulate prices, do you say that statement is not correct?—A. The statement says so.

Q. Then it is correct?—A. It is there; the document speaks for itself.

Q. It says: 'We recognize the disastrous consequences which result to the legitimate retail lumber dealer from direct competition with wholesalers and manufacturers, and appreciate the importance to the retail dealer of accurate information as to the need and expense of such competition where any exists.' That is to control competition is the second principal object of this association?—A. Well, I do not know; the document speaks for itself.

Q. And then it speaks of recognizing the advantage of co-operation for mutual convenience, benefit or protection?—A. Yes.

Q. Can you give me any other reason why this association was established at that particular time? Had it anything to do with the sudden rise in prices for lumber?—A. In a retail way?

Q. In a way so that the man who was going to use it paid more for the lumber, I do not care whether it was the retailer or the wholesaler got it or the man who owned the timber on the stump; but was there any sudden rise in prices that had anything to do with or was the result of this association being formed?—A. There was a sudden rise in prices, not on account of the association; it was on account of my common sense, that I needed more money for my lumber and went to some of the other dealers. The association did not tell me to raise my price or the next man——

Q. You advocated a rise of price at that time? So that before the association was formed you say you advocated a rise in the price of lumber?—A. I advocated it because I went into the lumber business, and the day I went into it I found what it

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cost me, and I wanted more money or I would have to go out of the business.

Q. When you went into the business two or three months before the association was formed—was the association formed because of your advocacy of a rise in price?—A. No.

Q. How do you mean it was connected with it?—A. I do not say it was connected with it.

Q. I asked you if the rise in prices had not been about the same time as the association was formed, and you said, in answer to my question, that you advocated a rise in prices yourself and went to your neighbours and convinced them they should raise prices?—A. I did not ask them to bring their prices up. Understand me, when we started we had two yards, and if we did not get better prices for lumber we would not start another one. We see to-day that there are openings for new yards all over the province.

Q. If you have plenty of business?—A. Yes, they all have plenty of business—that is, we are never satisfied with the amount of business the yards do.

Q. I asked you whether you had any knowledge of any connection between the rise in prices and the formation of the association at that time?—A. No connection.

Q. So this increase in price was arrived at through the advocacy of yourself before the formation of that association, or was it afterwards?—A. I really could not tell you now, but if you wish correct statements, I can get them.

Q. You will remember this, it is only a year ago, you have been in the business for about a year and three-quarters. After you got into the business you began to advocate a rise in prices you say, and it turns out this association was formed in February of last year, after you had been in this business two or three months. Do you not remember whether that rise in prices that you succeeded in getting the other dealers to agree to took place after the formation of the association or before it?—A. I think it was before; I am quite sure it was before. You know it took a long time to get a good price.

By Mr. McIntyre (Strathcona):

Q. You say that the rise in prices, so far as you were concerned, was voluntary on your part, and that you yourself were responsible for the rise in prices, as far as Calgary was concerned. You say you went to the other dealers and got them to agree?—A. I did not get them to agree. I advocated their coming up and raising their prices to what they thought right. We had no mutual arrangement, and have none today, as members of the association.

By Mr. Fowler:

Q. Did they not agree to make the same prices as you did?—A. Oh, yes; and the result of it was—

By Mr. McIntyre (Strathcona):

Q. Just a moment, you say you were responsible yourself for advocating the rise in prices?—A. Responsible to what extent, for the association?

Q. That is, for the raise in price?—A. I interviewed a few others, probably two or three.

Q. All right; you say as a result of that an increase of price was established in the other yards, did you not?—A. Yes, I said that.

Q. Now, at the same time, we have the statement from the retailers that the wholesale price had risen pro rata with the rise in prices, is that true?—A. Risen pro rata?

Q. That is, to the same extent?—A. Well, that might be so; but I do not know.

Q. Did your rise in prices come before the increase in the wholesale price?—A. Which increase in price do you speak of?

Q. We have had from the witnesses who have been examined here the evidence that there was a rise in prices in the early months of 1906?—A. Yes, there was.

Q. Was there an increase in the prices preceding that?—A. We made an increase preceding that.

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Q. Preceding that?—A. Yes, I know I did with a few yards.

By Mr. Lancaster:

Q. Between December and March there were these two increases, and Mr. McIntyre is asking whether there was an increase preceding them?—A. There were two increases in the wholesale price between December and March.

By Mr. McIntyre (Strathcona):

Q. The statement is that there were two increases in the wholesale price between December and March and you said that you increased your price preceding that and got the other members in the locality to increase similarly?

Mr. LANCASTER.—Before that?

The WITNESS.—I don't think I have got that right; I am not following matters.

By Mr. McIntyre (Strathcona):

Q. My question to you was, had you increased the price before the increase in the wholesale price in the early months of 1906?—A. We had not.

The CHAIRMAN.—Just answer the question that it was previous to the organization of that company which was in February?—A. That would cover it, that is right. We increased it some time in January or February. It was purely a mutual price between two or three of us in the two different towns you know. I asked my competitor—I said, just as an ordinary individual would: 'We got to get a dollar more, I cannot stand this' or something like that probably you see.

By Mr. McIntyre (Strathcona):

Q. Following the increase in the wholesale price did you raise your price?—A. The price was raised after March I know.

Q. Have you been in the association since its formation?—A. I was one of the charter members.

Q. You are also in the jobbing business you told us—that is in the lumber jobbing business, as you call it—selling large quantities of lumber?—A. Yes.

Q. Do you deal on exactly the same basis as the ordinary retailer?—A. I hope not, I should hope not.

Q. You buy at a better figure?—A. I buy at a better figure.

Q. Are you certain of that?—A. I buy at a better figure.

Q. Than any other retailer?—A. I don't say that I buy at a better figure than others.

By Mr. Lancaster:

Q. Do you mean they do not go on the price list? Is that another bluff?—A. Pardon me, do you mean I am bluffing?

Q. No, somebody said it; I don't think you are bluffing.—A. I would not bluff under oath.

By Mr. Sloan:

Q. Some of the goods were bought at less than wholesale prices?—A. I would have to bring my book with me with 25 pages, and if I cared to have it enumerated, I could show them to you or I can wire for the correspondence.

By Mr. Fowler:

Q. And show whether you have bought at prices below those price lists?—A. Most assuredly, I am a big buyer.

By Mr. McIntyre (Strathcona):

Q. Do you buy very often below these prices?—A. Yes, I have bought from the mills below those prices and further than that I have paid even the list prices in

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order to get lumber and I will do that to-day. You see that is what I mean; I am not a combine.

By Mr. Lancaster:

Q. Are there many others like you?—A. I do not know, gentlemen.

By Mr. Crocket:

Q. Did you not say you were a wholesaler and a retailer?—A. I am a jobber.

By Mr. Lancaster:

Q. A jobber buys wholesale?—A. Of course I buy all wholesale.

By Mr. Crocket:

Q. I mean you sell as a wholesale jobber as well as a wholesaler direct to the retailer?—A. I sell cars of lumber and I will explain that to you: If I have a good customer who wants three or four thousand of feet of lumber and he is going to build a building, I am going to sell to him a little cheaper than to a man who is only buying a thousand feet. I ship three or four cars, or one car. He unloads it, and I turn my money over quick. I get my money, I am sure of it, and I give him a better price.

By Mr. Lancaster:

Q. A better price than to the retail business?—A. Most assuredly.

Q. Does not the Retail Association find fault with you for doing that?—A. If they did I would not say anything.

Q. You started out with a proposition that retail dealers in the town got together and arranged a price and that as gentlemen they would stand by that price. Now, you tell us you give a lower price. How do you reconcile these two statements?—A. The towns we are selling lumber to never buy anything. When I am selling to a contractor I consider it a little different from the ordinary man who is buying 100 feet.

Q. Do you not give the contractor 7 per cent as a discount?—A. Some contractors 10, some 5, some 3. I make prices to suit myself; that is what there is now.

By Mr. Fowler:

Q. What we understood from you was this: that the dealers in a town, the local dealers, got together and fixed a price, arranged a price. That you said was done on your recommendation in the town of Calgary. Now, you say you do not stand by that price at all, you discount just as you like, 3 per cent, 5 per cent, 10 per cent, whatever happens to strike you whenever you happen to make a deal. Is that right?—A. That little arrangement was only a flurry and that was all there was to it.

Q. Is it not a flurry, if you take advantage of every rise in the price on the part of the manufacturer?—A. No.

Q. Some of these gentlemen have stated it was done, but it was wrong?—A. When we have utilized the lumber we paid a certain price for and the mills are charging us more two or three months afterwards when we are buying new lumber, we raise the price as well.

Q. Then you do raise the price after each raise at the mills?—A. We do raise the price.

Q. After each raise in price by the manufacturer?—A. Oh, yes, most assuredly.

Q. And you do that by agreement among yourselves?—A. No.

Q. Well, you come together?—A. All come together, the different towns.

Q. Then there is no penalty except that of honour?—A. That is all.

Q. You are a director?—A. No, I am not a director.

Q. You are a vice-president?—A. Oh, yes, I am one of the vice-presidents.

Q. Then why do you say you are not?—A. We speak of directors a little differently, you see.

Q. You are a vice-president of the association?—A. Yes, that is the old one.

Q. And you pay no attention to these prices afterwards?—No answer.

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By Mr. Crocket:

Q. Why is it you buy under this list price?—A. Because I am a big buyer.

Q. You have a great many yards?—A. Seventeen, quite a few.

Q. Seventeen?—A. Yes.

Q. You bought up quite a number of yards, did you not?—A. Five or six, I think—six or seven, something like that.

Q. Six or seven would be the number of yards?—A. That I bought— established yards—yes. The rest of them were put into new towns.

Your company also owns a mill, does it not?—A. We own nothing but the 17 retail yards—nothing more or less than the retail yards. We also handle implements.

Q. Simply because you buy more largely than the others you get a lower rate?—A. Yes, they have condescended to give me a lower rate.

By Mr. Lancaster:

Q. Is this not another reason: You are also members of the Mountain Lumber Manufacturers' Association?—A. Don't know them in our business at all. I know the association, but we are not members.

Q. Here is a list of members?—A. This is Staples & Company, Limited.

Q. Is it the same Staples?—A. The same Staples.

Q. Does the same man control the two companies?—A. No, he has only a small interest. He is president, that is all.

Q. And the Staples Company appearing in the list of members of the Mountain Lumber Manufacturers' Association is not your company?—A. Not our company; it is the Ottis Staples Company.

Q. He is still the president of your association, is he?—A. Yes.

By Mr. Fowler:

Q. The same people have stock in the Mountain Lumber Manufacturers' Association and stock in your company?—A. Mr. Staples is the only man connected with us and he has only a small interest.

Q. Does he not have control?—A. No, he is just president.

Q. That is a figure-head?—A. No, he is no figure-head.

Q. You say he has no control, he is president?—A. I don't understand what you mean by figure-head.

Q. Figure-head is an ornamental person who does not take any active part in the administration and who is put forward as chief for some reason—for his respectability or beauty?—A. Well, they did not look at me I think.

Q. You are the worker, you are the active man?—A. Yes, I am the active man.

Q. You are the boss of the show, you are 'it'?—A. I am the manager of the company. Mr. Staples is an old man and they made him president, you see. Mr. Davidson, the vice-president, is practically the active superior officer, you understand.

By Mr. Knowles:

Q. I understand you asked the manufacturers to refuse to sell to any person not in your association. Is that correct?—A. Not in the association, no. We have never requested that I have a knowledge of that they should not ship to any member of the association.

Q. You do not understand me. Did you ever ask the manufacturers not to supply people who wished to purchase who were not members of the association?—A. Not to my knowledge.

Q. Did you ever ask them not to supply any class of people?—A. I asked them not to supply to the man I was getting my earnings out of that is the consumers.

Q. What reply did they give you?—A. Through Mr. Grogan.

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Q. What reply did you get to that request?—A. They stopped selling to the consumer.

Q. In what form did you get that reply?—A. I always had it verbally from Mr. Grogan. I am living right next door to him.

Q. You are next door to him?—A. I am living next door to him.

Q. That is the extent of the knowledge you have about any request going to the manufacturers not to supply either the consumers or persons who are not members of the association? According to what you have told me they told you nothing about that?—A. I think I have some letters from Mr. Grogan. He mentioned some consumer the mills are not shipping to. Understand me that the mill would ship to the consumer a car of lumber, and we would make a kick, and then the secretary would write to the Mountain Association, but there are only a few cases that I know about.

Q. I am not referring to the kick you made, but to the appeal to the manufacturers; and I ask you to tell us what you know about their replies?—A. You ask me what I know about their replies?

Q. Yes?—A. Yes; they looked into the matter and agreed that they would not ship to the consumers.

Q. I want you to tell me in what form that statement can be found?—A. I could not say.

Q. How do you know they expressed themselves?—A. I got that from Mr. Grogan, our secretary.

Q. How did you get it from him?—A. I think I have a few letters, but it was mostly verbal.

Q. Where are your letters?—A. Oh, there back home.

Q. Were you not subpoenaed to bring all papers with you?—A. I was not.

By Mr. Lancaster:

Q. You say you got that information about the manufacturers from the secretary?—A. Yes.

Q. Did you not give it to the secretary?—A. Oh, I have made complaints, most assuredly.

Q. You made it to the secretary yourself?—A. Oh, you are speaking about this report—I was speaking about the general reports.

Q. Here is a letter you wrote to Mr. Grogan?—A. I know all about this.

By Mr. Knowles:

Q. Tell us all about it, please?

By Mr. Lancaster:

Q. You say: 'I brought up all the different complaints that our association wanted to make, &c.' What you said to Mr. Fowler with reference to the agreement between the dealers, or understanding, resting upon honour—were you not buying and selling to people who are not within the agreement between the two associations—as a jobber you were buying below the retailers' price?—A. These people should have complained about me, but they did not do it.

Q. You were advancing complaints about others, and yet you have done the things you should not have done?—A. Yes; I wanted to have the right end of the stick always.

By Mr. Sloan:

Q. Previous to joining this Alberta association did you belong to the Western Retail Lumber Dealers' Association?—A. No, I do not know anything about it; I would like to tell you about it, but I do not know anything. This association is the only association that I have ever joined or belonged to.

Q. Do you buy any lumber from the American side now?—A. No.

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By Mr. Fowler:

Q. How many yards have you?—A. Seventeen.

Q. Where are they located?—A. Calgary, west end; Calgary, east end; Langdon, Strathmore, Okotoks, Norma, High River, Stapely, Olds, Bowden, Innisfail, Red Deer, Alix, Stepler, Erskine, Mayville and Talbot.

Witness retired.

Committee adjourned.

FRIDAY, March 15, 1907.

The committee met at 11 a.m., Mr. Greenway, presiding.

The examination of Mr. A. M. GROGAN resumed.

By Mr. Lancaster:

Q. What books do you produce?—A. I produce the minute book, the cash book, and all the letters.

Q. Of what concern?—A. Of the Alberta Retail Lumber Dealers' Association.

Q. Do you keep a regular set of books in that association?—A. Yes.

Q. What money do they receive?—A. The fees, the annual fees.

Q. And what money do they disburse?—A. The salary of the secretary principally.

Q. Would there be anything else in the cash book?—A. Nothing at all, sir.

Q. The receipt of fees of members of the association?—A. Yes.

Q. They have to pay to become members?—A. Yes.

Q. And these disbursements are principally the secretary's salary?—A. Yes.

Q. And disbursements for postage, telegrams, and so on?—A. Yes.

Q. What does the minute-book contain?—A. The minutes of the annual meeting and the minutes of the directors' meetings.

Q. For how many years?—A. Since the association started.

Q. Since February, 1906?—A. 1906.

Minute-book produced and marked Exhibit No. 7.

Cash-book produced and marked Exhibit No. 8.

Q. Will you look up the minute-book previous to August, 1906, and read the resolution that appointed Mr. Becker to go to the meeting of the Mountain Lumber Manufacturers' Association with some complaints. He seems to have made a report on August 18, so I suppose about the beginning of August he would be appointed? Do you recollect when he was appointed? I do not see that it was in August?—A. I do not know whether we had one in the minutes or not, but I have got his reports here.

Q. We have a copy of that report. It is dated August 18, is it not?—A. Yes, sir.

Q. Written from Calgary. I want to know how he came to be appointed delegate? If you cannot find a minute in the minute-book appointing him, what do you say from recollection as to how he came to be appointed? It is only eight or nine months ago?—A. I think the directors in Calgary formed a quorum, and he was appointed delegate in that way.

Q. Why would not the minute be placed in that book?—A. I do not see it.

Q. It may be there?—A. Yes, I have got it here.

Q. Read it please? First state what was the date?—A. July 20, meeting held in Edmonton.

Q. Does it say who was present?—A. A meeting of directors.

Q. Does it say who was present at that meeting?—A. Yes, sir.

Q. Does it give the names of the directors, all that were present?—A. Yes, sir.

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Q. There are not many of them. Kindly read who were present?—A. (Reads.) T. A. Prince, D. Gourlay, W. Stuart, W. H. Clark, J. W. McNicol, F. D. Becker, G. G. Grosse and A. M. Grogan.

Q. Do they represent certain places individually?—A. Yes, sir.

Q. Then you may give the committee the section that each director represented? Prince, for instance?—A. Calgary.

Q. Gourlay?—A. Lacombe.

Q. Stuart?—A. Calgary.

Q. Clark?—A. Edmonton.

Q. McNicol?—A. Lethbridge.

Q. Becker?—A. Calgary.

Q. Grosse?—A. Wetaskiwin.

Q. And yourself?—A. Calgary.

Q. Those were the gentlemen present who passed the resolution that you are going to read, appointing Mr. Becker?—A. Yes, sir.

Q. Was the resolution unanimous?—A. Yes, sir.

Q. Please read the resolution?—A. (Reads.) 'Moved by McNicol, seconded by Stuart, that F. D. Becker be appointed a delegate at the next meeting of the Manufacturers' Association, which is to be held in Nelson, B.C., and that the secretary notify Mr. Wells of his appointment.'

Q. Who is the Mr. Wells mentioned there?—A. The secretary of the Manufacturers at Nelson.

Q. Is there anything in the minute book showing what he was to do, or is the resolution just as it is written there?—A. Just as it is written there.

By Mr. Knowles:

Q. Was any communication received at that meeting which resulted in the passing of that resolution?—A. There is the notification from Mr. Wells that there is going to be a meeting.

Q. That letter is in the correspondence you produced?—A. Yes, sir.

Q. Is it shown in the books or records you produced this morning what district each director represents?—A. The districts are all down in the minutes—everything is in the minutes.

By Mr. Lancaster:

Q. Of what date?—A. We have had but one annual meeting, which was held in January.

Q. Each district the man represented is here?—A. Yes.

By Mr. McIntyre (Strathcona):

Q. Were instructions given to Mr. Becker by these delegates or directors as to his duties as a delegate?—A. Well, there are letters showing the complaints that had to be brought up at the Nelson meeting.

Q. Was he given say a draft of instructions to go by?—A. I suppose he made some memos. while he was at the meeting.

By Mr. Lancaster:

Q. There is just that resolution, that he was to advocate any complaints that had been sent in to the association?—A. Yes.

Q. As he thought best to advocate?—Whatever he did the association would consider he did as their agent?

By Mr. Knowles:

Q. Why did the association select Mr. Becker as delegate? Has he had an exceptional experience? What was the reason of his being selected?—A. I do not know, sir.

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Q. Well, you are the mainspring of it. You would have a pretty good idea as to why they selected him out of all the directors?—A. They only selected him out of seven or eight directors.

By Mr. Herron:

Q. Was this a special meeting of your executive?—A. Yes, sir.

Q. For what purpose was it called?—A. It was called to get the Edmonton dealers to join the association.

Q. What appeared at the meeting to be the necessity of sending a delegate to British Columbia?—A. Well, there were several complaints they wanted brought up before the Mountain mill men.

By Mr. Lancaster:

Q. Are those complaints among the papers you produced?—A. Yes, sir.

Q. Without reading them all, tell us who they are from and the subject they treat of, so that we can see what Mr. Becker was to do?—A. Would it not be easier to read out his report, because these complaints are all through this correspondence?

Q. We do not know whether he had to deal with other matters than what we have. Is that report dated 18th August?—A. Well, this report is dated the 17th.

Q. Which you forwarded as secretary to these members of your association?—A. Yes, sir. This is the original report. (Exhibit No. 9.)

Q. There is a copy of the report before the committee, but you have the original, and had better leave it with us. Did he have before him other matters than he has reported on? He had to report on every matter that was before him?—A. Yes, sir.

Q. Then you swear his report does not mention every matter that was sent to the meeting at Nelson to deal with?—A. Yes, sir. Shall I read it?

Mr. LANCASTER—I do not care. I know what it is, but perhaps the other gentlemen may want it.

The CHAIRMAN—We heard it yesterday.

By Mr. Knowles:

Q. Come back to the question as to why Mr. Becker was selected. His business is exactly the same as the average retail lumberman's business?—A. Exactly.

Q. Are there no ramifications in his business other than that of the average retail lumberman?—A. He is a retailer, a retail dealer; that is all I know.

Q. Is he what is called in the trade a jobber, or has he ever been?—A. I do not know.

Q. Can you say he is not?—A. No; I know him just as a retail dealer.

By Mr. Lancaster:

Q. If you knew he was a jobber also, he would still have been appointed a delegate to that meeting?—A. Yes.

Q. If he was a jobber or a wholesaler himself, would that prevent him from being a member of the retail association?—A. Well, he was a retail dealer, because he had retail yards.

Q. If he was also wholesaling, you would still be willing to have him as a member of the retail association?—A. Yes.

By Mr. McIntyre (Strathcona):

Q. Are there manufacturers running yards in Alberta?—A. Yes.

Q. Do they belong to the retail association?—A. Yes.

Q. Any of them?—A. Yes.

By Mr. Lancaster:

Q. This report of August 17th, as you say—no doubt it is the same one as that which bears date of August 18th—is it one of many reports or is it only the delegate's report of investigations into complaints that year?—A. It is the only report. It was the annual meeting they had.

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Q. That who had?—A. The Mountain millmen.

Q. Was it the only meeting that your association had with regard to complaints to be made the manufacturers?—A. That we sent a delegate to. Yes.

Q. It was the only meeting that you sent a delegate to?—A. Last year.

By Mr. Herron:

Q. Had you other meetings of your association to consider complaints from the actions of the manufacturers?—A. The directors' meetings.

By Mr. Lancaster:

Q. You had meetings of your association?—A. Oh, yes.

Q. To consider complaints made against the Millmen's Association for breaking faith with you in some way?—A. Local complaints or any complaints that the directors liked to bring up regarding manufacturers or dealers.

Q. Can you say whether there was any delegate sent in regard to those other complaints?—A. you could only send a delegate when they were going to hold the annual meeting. They only held one meeting.

Q. What was done with these other complaints that no delegate was sent about?—A. We wrote to the secretary about them.

Q. You wrote to Mr. Wells?—A. Yes, sir.

Q. Are copies of those letters in the correspondence you have produced?—A. Yes.

By Mr. Knowles:

Q. Are Mr. Wells' circular letters there?—A. All Mr. Wells' correspondence with us are there. There are no circular letters.

Q. Probably all he wrote to you, but he might write to other associations?—A. Yes.

By Mr. McIntyre (Strathcona):

Q. Is the list submitted by you the list of the members of the Retail Association?—A. Up to that date.

Q. In their various districts?—A. In their various districts.

Q. You will file this as an exhibit?—A. Yes.

List of the members of the Alberta Retail Lumber Dealers' Association filed and marked Exhibit No. 10.

By Mr. Lancaster:

Q. Is there any correspondence between you and Mr. Wells, as representing the Millmen's Association, in regard to fixing prices, among the papers you have produced?—A. No, sir.

Q. Is the question of prices discussed at all in these letters?—A. I do not think it is. It is mostly all about shipping lumber to consumers in his correspondence.

Q. What do you mean about shipping lumber? You were complaining of the manufacturers shipping lumber direct to the consumers instead of selling through the retailers?—A. Yes, sir.

Q. That is the subject of most of the complaints?—A. All the complaints are based upon that.

Q. Do you say there is anything in that correspondence about prices that ought to be reasonably charged? or that would be safe to be charged?—A. No, sir. There is nothing at all whatever about it.

Q. Complaints were never made in regard to the prices being charged?—A. No, sir.

Q. Only as to whom the lumber should be sold to?—A. That is all.

Q. Your association complaining that they were selling direct to the consumers and not limiting themselves to the middlemen as a channel of communication?—A. That is it, sir.

Q. At the time these prices were raised that you told us about yesterday, was any

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notice of that action sent to Mr. Wells or to the Millmen's Association?—A. That I sent?

Q. The Lumbermen's Association for instance? When you met together and agreed to raise the price from time to time did you notify the Mountain Lumber Manufacturers' Association?—A. No.

Q. You gave no notice of that?—A. No.

Q. You would simply meet and agree to charge so much? You would not tell the men you were buying from that you had raised the price?—A. No, they would find out when they came in to pay.

Q. How would they find out?—A. When they had to pay for the goods.

Q. The men you were buying from?—A. I don't buy from them.

Q. But you are the secretary of an association all of whose members do buy from them?—A. Yes.

Q. Do not let us waste time over a point like that. You know that when I say you I mean the association you represent?—A. Yes.

Q. This is an association purely for the protection of retailers?—A. Exactly.

Q. And this association has made you secretary treasurer?—A. Yes.

Q. So that when I speak of you please remember I mean the association of retailers for whom you undertake to work for a salary?—A. Yes.

Q. Now do you not, as an association, communicate from time to time with the millmen when you make an advance in prices?—A. No.

Q. How do they find out?—A. How do the millmen find out?

Q. Yes, what you are charging?—A. I don't know whether they do find out; it has nothing to do with them.

Q. Have you no correspondence from them pointing out to you, 'now you have raised on the retailer you can afford to pay more'?—A. No correspondence whatever.

Q. No correspondence of that kind?—A. No, it has nothing to do with them what price the retailers charge.

Q. Well, it might be if they expected you to pay more because you were getting a bigger price from the consumer?—A. They have to get that much more to be able to pay their bills.

Q. Who has?—A. The retailer.

Q. That depends upon how large the bills are, does it not?—A. If the Mountain mills advance prices it necessarily follows the retailers must advance theirs or else how could they afford to pay for the lumber?

Q. Did you ever advance your prices without it being because of an advance by the millmen?—A. No.

Q. You never did?—A. No.

Q. I think you told us yesterday your association did on one or two occasions?—A. No.

Q. If you did say so you were mistaken or I am mistaken in thinking you did?—A. I think it was probably an advance made by the manufacturers. I told you the retailers did not advance their prices?

Q. It was an advance made by the millmen, but not by the retailers?—A. Yes.

Q. Was there ever an advance made by the retailers that was not contemporaneous with an advance made by the millmen?—A. What is that, sir?

Q. Was there ever an advance made by the retailers to the consumer to make them pay you more that was not contemporaneous with an advance against you by the millmen?—A. Well, we always got an advance of prices from the millmen first and then the retailers advanced theirs.

Q. Did you ever make an advance that was not brought about by an advance by the millmen?—A. No.

Q. Be careful as to that please?—A. No.

Q. Every advance you made was preceded by an advance on the part of the millmen?—A. The only advance we made was when we got an advance in prices from the millmen.

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Q. Always to the same proportion?—A. Always to the same proportion.

Q. About?—A. About 20 per cent, sir. It is a pretty small margin of profit, too.

Q. Well?—A. That is not really 20 per cent, that is about 10 per cent clear.

By Mr. McIntyre (Perth):

Q. Are there any other sources of profit that have not yet been made clear to this committee? Does that 20 per cent cover all the sources of profit in the lumber business? Taking the relationship between the mills and retail sellers is 20 per cent the whole source of profit you have between the purchasing and the selling?—A. Yes.

Q. There is nothing else in drawbacks?—A. There is a cash discount I believe.

Q. Excepting the 2 per cent discount?—A. That is all I know of, sir.

By Mr. Lancaster:

Q. Then do I understand you now to tell Mr. McIntyre that there is a basic principle of 20 per cent or so?—A. I told Mr. McIntyre that there was a profit of 20 per cent.

Q. Yesterday you were very positive in saying there was no basic principle at all and you flatly contradicted another witness who said there was. Now, what do you say to-day?—A. I just take the same stand; that there is no basic principle of the association. As regards the 20 per cent it is purely local.

Q. Do you always happen to advance 20 per cent?—A. In Calgary we do.

Q. In Calgary it always happens that your profit is 20 per cent, but you do not want to call it a basic principle?—A. That is not for the whole of Alberta. I do not know but other dealers may advance it 22 per cent.

By Mr. Knowles:

Q. In Calgary you virtually have an understanding that it is 20 per cent, or have you not such an understanding?—A. Yes.

By Mr. Lancaster:

Q. And you know they have not the same understanding in the rest of the province?—A. I could not say.

Q. Then if you cannot say, why were you so positive yesterday in contradicting another man who said there was that understanding?—A. Because it was never brought up at any meeting of the association, and it would have to be put through in a regular way at a meeting of the association.

By Mr. Fowler:

Q. Do you know anything about the constitution of the Western Retailers' Association?—A. No, sir.

Q. About the parent concern?—A. No.

Q. You don't know anything about that?—A. I don't know anything about it.

Q. You don't know under what circumstances the Alberta Retailers' Association was organized? You knew there was an association which embraced the whole of the northwest country, including the province of Manitoba and the Territories?—A. Yes.

Q. You knew that?—A. Yes.

Q. Do you know under what circumstances the Alberta Association was organized?—A. Oh, yes, I explained that you will remember. All the business was done from Winnipeg, and the Alberta dealers thought they could look after their business better by controlling it right in their own province and having their secretary centrally located. It took so long for correspondence and one thing and another and they thought they could look after their business better themselves.

Q. Were you at the organization meeting?—A. Yes.

Q. Did they adopt the constitution of the parent association?—A. I think they took it pretty nearly all. A few changes were made, but I think it was taken from that constitution.

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Q. They adopted the constitution of the western, or parent association?—A. Not wholly, but with a few changes.

Q. Just tell us what changes there were?—A. Well I could not remember offhand.

Q. Name some of the changes, you have it printed?—A. I think Mr. McNicol has got my printed report.

By the Chairman:

Q. Did the members of the Western Association generally become members of your association?—A. Well, there are quite a lot of members left, Mr. Chairman, who are still members of the Western Retail Lumber Dealers' Association.

Q. They remained members of the Western Association?—A. Yes, they remained.

By Mr. Fowler:

Q. Not members of your association?—A. Not members of ours.

By Mr. Sloan:

Q. How many would there be?—A. There is quite a lot of men in the Edmonton district.

Q. Have you a list of them?—A. No, I have not got a list. When we asked them to join they would say: 'Well, we belong to the other association.' I have no record of the names.

Q. Have you a list of dealers in Alberta who do not belong to your association or to the Western Association?—A. No, I have not.

By Mr. Lancaster:

Q. Do you know the Carruthers' Lumber Company, of Cranbrook?—A. Yes.

Q. Are they members of your association?—A. Members of our association?

Q. Yes, or a similar association?—A. I do not know. They are not members of the Retail Association, sir.

Q. Cranbrook is not in your part of the country, is it?—A. No, sir, in British Columbia.

Q. You would not know anything about that would you?—A. No, I would not know anything about that.

Q. Was there any arrangement last year by which \$1 a car additional was charged to people who did not buy through the retailers?—A. I never heard of it.

Q. Do you know that it is stated that last year they wrote to the consumers and said they would have to pay 20 per cent more than they did the year before, because the consumers could not get lumber now direct from the lumbermen themselves?—A. What is that, sir?

Q. Do you know that the retailers notified consumers that they would have to pay 20 per cent more last year than they did the year before, giving as the reason that they now had an arrangement by which the latter could not buy from the mill men direct?—A. I never heard of it.

Q. You never heard of anything of that kind?—A. No.

Q. You do not know what the Carruthers' Lumber Company may have done?—A. No, sir.

Q. Because it is not in your territory?—A. I suppose so.

Q. Do you know yourself of any action being taken to prevent Mr. Taylor from selling lumber to contractors at Calgary—Mr. Taylor who was acting as agent, as traveller, for British Columbia producers of lumber?—A. I never heard of it.

Q. Do you mean to say that as secretary of the association you have no recollection of any action being taken by your association to prevent Mr. Taylor from selling to contractors at Calgary?—A. Our association never took any action at all.

Q. You are sure of that?—A. Positive.

Q. Was it discussed at your meetings?—A. It was never discussed.

Q. Did you never hear of it before to-day?—A. Sir?

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Q. Did you never hear of it before now?—A. I never knew he was in the business until I saw it in the papers.

Q. Not in the business, but selling as agent for other people?—A. I never knew anything about it.

Q. You never heard of Mr. Taylor being interfered with and prevented from selling lumber to contractors at Calgary?—A. No.

Q. On your oath, you never heard of it until I mentioned it to-day?—A. I heard of it when I saw it in the newspapers.

Q. What did you hear, that Mr. Taylor had been prevented from buying last year at Calgary?—A. It was reported in the newspapers about this investigation, that Mr. Taylor could not purchase lumber. That was the first I heard of it.

Q. You had not heard anything of it before that?—A. No.

Q. And you are positive that it never came before the association of which you are secretary?—A. I am positive.

By Mr. Herron:

Q. Is the book which you have produced the minute book of your association?—A. Yes, sir.

Q. How do you authenticate the proceedings of a meeting? I see it is not signed by the president. Is that not an unusual thing in the minutes of your association?—A. There are directors' meetings and annual meetings.

Q. I see one name signed here, director, I suppose, Mr. McNicol?—A. Yes.

Q. There are other minutes signed in this book?—A. The directors' meetings are never signed. The annual meetings are signed.

By Mr. Knowles:

Q. Do you know the Export Lumber and Shingle Company?—A. No.

Q. Have you never heard of them at Vancouver?—A. No.

Q. You are a practical dealer yourself?—A. No.

Q. You know Cranbrook?—A. Yes.

Q. Have you ever been at their place of business?—A. No.

Q. You do not know who runs this mill?—A. I never was in a mill in my life, except a coffee mill.

Q. You do not know who owns the company, who the president is, or anything about it?—A. I don't know anything about it.

By Mr. Fowler:

Q. I notice among your list of complaints that the Enterprise Lumber Company were feeding customers' horses. Is that a joke? Surely that is not a serious complaint?—A. That is what I was laughing about, sir. One dealer reported that another dealer was feeding customers' horses. You will pardon me, gentlemen, for laughing?

Q. Certainly, it is quite excusable; it would make a horse laugh, I think. This is what it says at page 16 of the minute book: 'Complaints—Claresholm L. & Gn. Co. That the Enterprise Lbr. Co. were feeding customers' horses. The secretary reported that this matter had been satisfactorily settled.' This is under the heading 'Complaints,' and the secretary reports 'That this matter had been satisfactorily settled.' Did he charge the customer afterwards for the horsefeed, or how did he settle it?—A. I think the other man built a stable.

By Mr. Lancaster:

Q. Does that mean seriously that if a dealer feeds a customer's horse it is considered a complaint by a competitor in business? It is seriously put on your list?—A. One dealer thought that the other man was taking an advantage in so much that the customer came and put his horse in the shed and therefore he was getting more business than the other fellow.

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By the Chairman:

Q. He was offering that as an inducement?—A. Yes, sir.

Mr. LANCASTER.—It would not be explained by the suggestion that the retailer got all the man's money for the lumber and he did not have enough to buy feed?

By Mr. Fowler:

Q. The secretary reported that the matter had been satisfactorily settled. You are the secretary yourself, tell us how you settled it?—A. I got the dealer who made the complaint to put up a stable and do likewise.

By the Chairman:

Q. Both feed horses now?—A. Both feed horses.

By Mr. Fowler:

Q. I think that was a very nice way of cutting the Gordian knot?—A. They were both perfectly satisfied.

By Mr. Sloan:

Q. Have you got your letter book here?—A. Not our letter book, but the letters and the copies.

By Mr. Knowles:

Q. The vouchers are all there?—A. Everything.

Q. The vouchers are numbered as they are here?—A. The vouchers?

By Mr. Lancaster:

Q. The voucher number in the cash book?—A. I have no cheques here, no cancelled cheques.

By Mr. Knowles:

Q. There is a column here with numbers, one two and so on?—A. I have not got them.

Q. Why not? What would the voucher be?—A. The voucher would be the receipt.

Q. Not the cheque?—A. The receipt would be numbered the same number as the cheque.

Q. But you have no receipts or cheques?—A. It has been audited by a chartered accountant so it is not necessary.

Q. In the column of the sums you paid out, I see, for example Jones & Young, to whom you paid considerable sums for printing. Apart from salary that is the chief disbursement?—A. Printing, yes.

Q. There is a column of entry of some kind? What does that mean? There is always a number beside the expenditure in a column. It is sometimes thirteen and sometimes fifteen?—A. That is the number of the cheque.

Q. The cheque with which you paid them?—A. Yes.

That is all it does mean?—A. That is all it does mean.

Q. Is it entered in the day book first?—A. There is no day book; it is kept in the cash book.

Q. Where do you do your banking?—A. The Northern Bank.

Q. You have used the Northern Bank since when?—A. Since it started.

By Mr. Fowler:

Q. I find in your minute book a resolution moved by Mr. McNicol, seconded by Mr. Becker, reading. I hereby move that in the opinion of this association, the Mountain mills are to-day shipping lumber direct to contractors in Alberta. In all cases where the offence has been brought home they have pleaded ignorance of the fact that the party was not a dealer, and in some cases stated that the parties lied to them and stated that they were dealers, and in order that the chance for this excuse may in

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future be removed, we now direct our secretary to send to each member of the Mountain Lumber Manufacturers' Association, a revised list of legitimate lumber dealers of Alberta, to further inform the wholesale men, that if at any time any question arises as to who is a dealer and who is not, they can obtain definite information by wiring him at Calgary at his expense. That he also inform the Mountain Lumber Manufacturers' Association that in future no excuses will be accepted for shipments other than to regular dealers and upon proof being established that a mill has made such shipments, all members of the association will be notified to that effect and are pledged not to buy another inch of lumber from that mill.' That resolution was passed?—A. Yes, sir.

By Mr. Lancaster:

Q. Does that resolution not refresh your memory as to what I asked you a few minutes ago, about Mr. Taylor being interfered with in selling at Calgary?—A. No.

Q. Do you know what was the cause of that resolution being passed?—A. It was lumber coming into the Lethbridge district to consumers.

Q. Somebody must have complained?—A. Mr. McNicol complained about the mills shipping lumber to consumers in the Lethbridge district.

By Mr. Herron:

Q. You said yesterday the manufacturers would sell to any man who had a lumber yard whether he was a member of this association or not?—A. Well, that does not say anything against it, Mr. Herron.

By Mr. Fowler:

Q. This resolution gives certain directions. Did you carry out these directions as secretary?—A. I never carried them out yet.

Q. On May 8, it says that you should send to each member of the Mountain Lumber Manufacturers' Association a revised list of the retail dealers?—A. Yes.

Q. You sent that?—A. Yes.

Q. Have you a copy of that list you sent?—A. There is a copy of the list here.

Q. No, but the list you sent to the Mountain Millmen?—A. The list of the dealers?—A. Yes.

Q. Yes?—A. There is the list on the table.

Q. Is that the list you sent?—A. That is a copy of it.

By the Chairman:

Q. That includes what you sent?—A. Yes, we got that out for Calgary.

By Mr. Fowler:

Q. This resolution requires you to do a certain thing?—A. Yes.

Q. To send a list?—A. Yes.

Q. You sent the list?—A. Yes.

Q. Is this a copy of the list you sent?—A. No.

Q. Well, have you a copy of the list you sent?—A. No, I have not. Those lists are sent out because the members are increasing every two months.

Q. Then what you sent in was a list of the membership?—A. A list of the membership.

Q. You did not send anything but a list of a the membership?—A. No.

Q. And you felt you were carrying out the resolution?—A. Exactly.

Q. In word and in spirit?—A. Yes, sir.

By Mr. Knowles:

Q. Did you ever wire or any one write you to know whether certain persons were dealers or not?—A. Yes.

Q. Did you ever declare that any were not?—A. The millmen have wired me asking whether so and so was—

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Q. Whether he was a dealer or not?—A. Yes.

Q. And have you ever answered such wires?—A. Yes.

Q. Have you ever answered them in the negative?—A. Yes, sir.

Q. So you have been instrumental in a man being refused the privilege of purchasing lumber from the mills?—A. If a man would write to the mills for lumber the mills would not know who he was.

Q. Answer that question?—A. And they would write to me asking if he was a dealer or not.

Q. And you would answer in the negative?—A. Yes.

Q. Thereby you would be instrumental in arranging it so that that man could not purchase from the mill?—A. No, that man would then be notified from us that he could buy from the retail yard at the nearest point to where he lived.

Q. Do you think that is an answer to my question?—A. Exactly.

Q. If I ask you whether you prevent a man buying from the mills, do you think it is an answer to my question to say he can buy from a retail lumber yard?—No, it is not.

Q. And that you very well know?—A. The basis of our association, as I told you from the start—

Q. Be good enough to tell me that when you have answered my question?—A. I have answered it.

Q. Have you been instrumental in effecting it so that certain people could not buy from the mills who wished it?—A. Yes.

Q. You did not answer that before? Are you in the position that you are really an arbiter, really a dictator, as to who may or may not buy from those that manufacture lumber?—A. Not at all.

Q. Are you an arbiter?—A. No.

By Mr. Lancaster:

Q. Are you a judge?—A. No.

By Mr. Knowles:

Q. Have you the say?—A. No say at all.

By Mr. Lancaster:

Q. Don't you decide that question before you answer?—A. I simply tell them whether he is a consumer or not.

Q. Very well, you decide the question, but you say you are not an arbiter?—A. It is not a nice word, is it?

Q. You decide the question?—A. Yes.

By Mr. Knowles:

Q. You would agree to decide? Will you agree to that?—A. Yes, I will agree.

Q. Is it right or not? Are you the decider or are you not?—A. You have just said I was.

Q. You must answer me more civilly or I will bring it before the committee. I want you to answer more civilly.—A. I said so.

Q. Are you the decider or are you not?—A. Yes.

By Mr. McIntyre, (Strathcona):

Q. Was there not a penalty when these people bought from any one that you recommended them not to buy from?—A. We had no penalty.

Q. Well, then, what is the meaning of the end of that resolution?—A. That the dealers would not buy from those mills.

Q. That would be the penalty?—A. Yes, you put it that way.

Q. If they sold to any one direct they would suffer the penalty would they not?—A. If they sold to consumers?

By Mr. Sloan:

Q. In other words, the whole association you control as secretary would use the boycott?—A. To stop buying from these dealers?

Q. No; these mills?—No answer.

By Mr. Fowler:

Q. Would the wholesale men take any notice when the threat contained in that resolution was made that the members of the Retail Association would buy no more lumber from any mill supplying those who were not members of the association?—A. I did not quite catch that.

Q. Did the millmen whom you notified of this resolution take any notice of it? Did they discontinue the supply to independent dealers?—A. Independent dealers?

Q. Or the—A. The consumers?

Q. The consumers themselves, if you will? You notified the millmen in accordance with this resolution?—A. Yes.

Q. You have told us that?—A. Yes.

Q. Now, this resolution was passed in consequence of complaints that were made that the mills were supplying people whom this association thought they should not supply?—A. Supplying consumers.

Q. Very well, however it was, you notified them? Did they discontinue supplying consumers?—A. No, they are still shipping.

Q. They still continue to do this?—A. Yes.

Mr. McIntyre (Perth):

Q. Did you punish them by refraining from buying, or are still complaining?—A. Still complaining.

By Mr. Fowler:

Q. You have not blacklisted anybody?—A. No. Men buy from whom they like; they buy in the cheapest market.

Q. No mill has been blacklisted?—A. Not that I know of.

By Mr. Knowles:

Q. They are all the same price, the mills?—A. They are all the same price.

Q. What do you mean when you say they buy in the cheapest market?—A. Perhaps I should not have said it.

By Mr. Sloan:

Q. Did you hear Mr. Becker give his evidence?—A. Yes.

Q. Did you hear him state that he had in many instances bought lumber at less than the list price? You do not agree with that statement? According to what you say they all buy at the same price?—A. I think he was referring to buying native lumber.

Q. No, I think not; he was discussing the list of prices. Do you know anything about that?—A. I know nothing about it, I think they thought they all bought at the same price.

By Mr. Knowles:

Q. Tell us some people whom you decided could not buy from the mills?—A. Any consumers.

Q. Tell us some of them, please?—A. I cannot think of that right in my head.

Q. You cannot think of any?—A. Anybody who wrote for lumber who was a consumer, there was a complaint made about him.

Q. Were there any complaints put in about retailers whom you decided were not dealers?—A. There was Skead, you know. That firm I told you about yesterday; he did not have a yard.

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Q. He claimed to be a dealer and was not a dealer?—A. Yes.

Q. Were there any others who claimed to be dealers and were not dealers according to your decision?—A. There were contractors along the line you know; I cannot remember their names.

Q. Is there any correspondence that will show that?—A. Yes, lots of it.

Q. Is it among the papers which you have produced?—A. It is all there.

Q. How did you answer the millmen when you advised them that certain people were not dealers?—A. By letters.

Q. Never by wire?—A. Sometimes by wire.

Q. Have you copies of the wires?—A. Yes.

Q. Copies of such wires?—Yes.

Q. Copies of such letters?—A. Yes.

By Mr. Lancaster:

Q. Do you say this Skead of Calgary did not have a yard or that you decided that he did not have a yard?—A. He did not have a yard at the time the organization started, he had a yard afterwards.

By Mr. Knowles:

Q. Had he a yard at the time you refused him?—A. He never asked to join the association.

Q. I am not talking about that. He asked to get lumber and you decided he could not get lumber. You sent in a report unfavourable to him?—A. What is that?

Q. I asked you if you could tell us the names of any people who claimed they had lumber yards, and you reported they had not. You mentioned Mr. Skead. Do you still adhere to that?—A. Yes.

Q. At what time did he claim to have a lumber yard, was it after the organization of the association?—A. After the organization, yes.

Q. Had he a yard at the time he claimed to have one?—A. He had a yard, but I do not think he had any lumber in it at that time. He had a yard. Yes, he was in the lumber business.

Q. Why did you tell us a minute ago that he did not belong to the organization at its institution? What has that got to do with it?—A. He has never made application to us to join the association.

Q. What has that got to do with it? You say a man can apply to the mills to purchase lumber. He would have to communicate with you if he was a dealer you say?—A. Yes.

Q. And when I bring to your notice an instance of that where a man did not get the lumber you say he did not belong to the association. What has that got to do with it?—A. It is not a very hard and fast rule. Often they supply lumber before they join the association.

Q. What rule is not a hard and fast rule, that a man must belong to the association?—A. No, sir.

Q. What are you talking about then, when you speak of a rule that is not hard and fast? What rule is that?—A. A man can buy lumber to start a yard; he does not necessarily belong to the association.

Q. What was the rule you said a moment ago was not a hard and fast rule?—A. The rule you said there about them sending an application that they were going to start a retail yard.

Q. Tell us what was that rule?—A. This application.

Q. The rule is they must send in an application and join this association before they can buy from the mill?—A. Not at all.

Q. Then what is the rule, for goodness' sake?—A. The only rule we have in the association is that they fill out an application.

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Q. What application?—A. There are applications in that bunch there (pointing to documents on the table).

Q. Applications for what?—A. To join the association.

Q. They must fill that out before they can buy from the mills?—A. Not necessarily.

Q. Well, what is the rule?—A. There is no rule.

Q. This is no laughing matter?—A. I am not laughing; the committee is laughing.

Q. You smile and smile and still you are a witness still. Now you say there is a rule. Tell us what it is?—A. Well, I will explain it to you.

Q. Tell us as far as you can what the rule is?—A. There is no rule at all.

Q. There is a rule you said that is not hard and fast?—A. If a man wants to buy lumber—

Q. Tell us what is the rule?—A. Oh well, if you— I want to tell you exactly how they do buy lumber if you will permit me.

Q. You want to get me away from that if you can?—A. If a man wants to buy lumber he simply writes to the mills.

Q. Yes?—A. He tells them he is going to start a yard.

Q. Yes?—A. And in nine cases out of ten he will get the lumber. Another man who wants to start a yard will go to the association and get an application.

Q. Yes?—A. And his application will be passed and he orders his lumber then.

Q. Have you copies of applications such as that there?—A. Yes.

Q. Very good?—A. That is all.

Q. What is the rule which is not hard and fast?—A. There is no rule that is not hard and fast.

Q. What do you mean when you say, as you did, that there was a rule that is not hard and fast?—A. I meant by that it was not necessary for the millmen to find out whether they were going to be dealers or not.

Q. It was not necessary for the millmen to find out whether they were going to be dealers or not?—A. If they get their order they can get their lumber.

Q. Now tell us what the rule is?—A. There is no rule.

Q. There is a rule that is not hard and fast you said? Answer my question?—A. I have answered it.

Q. Answer it again?—A. There is no rule.

Q. Is there a rule that is not hard and fast?—A. I don't know what you are talking about.

Q. I am talking about a rule that is not hard and fast. Did you make that statement?—A. I did.

Q. Is there a rule that is not hard and fast?—A. No.

Q. A moment ago you said there was a rule?—A. All right.

By Mr. Lancaster:

Q. There was a rule applied to Skead's case. Skead had a yard and there was a rule applied to him. You knew he had a yard before, but you said there was no lumber in it?—A. He went out of the retail business.

Q. He had a yard and there was no lumber in it?—A. He went out of the retail business.

Q. What do you mean by 'going out'?—A. He was buying carloads and selling them chiefly, just carloads.

Q. But he had a lumber yard?—A. Yes.

Q. And he was not permitted to buy, to put more lumber into that yard, because of the report you made?—A. Not at all, he went out of the retail lumber business.

Q. When you say he went out of the retail lumber business, what do you mean?—A. He stopped handling lumber, selling lumber to the consumers.

Q. He ran out of that, did he not, and had none in his yard? He had his lumber yard but nothing in it?—A. He stopped the retail business, doing business as a retailer.

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By Mr. Herron:

Q. Why did he stop?—A. I don't know what he stopped for.

Q. You reported against his getting lumber.

By Mr. Lancaster:

Q. You reported against Skead getting lumber, did you?—A. Yes.

Q. You decided he was not a lumber dealer and was not entitled to get it?—A. Yes.

Q. Did you know at that time he had a yard?—A. He had not a yard at that time.

Q. He had a yard but no lumber in it?—A. He was not a dealer.

Q. Did he not have a yard that formerly had lumber in it?—A. Yes.

Q. Then he had a place to put the lumber in if he could get it? He had a place where he could do business, as he had done it before, if he could get the lumber?—A. Well, gentlemen, you can easily understand it, it is very easy to understand; he went out of the retail business.

Q. Was it not because he was not a member of the association that you would not let him get any lumber?—A. He was buying lumber all the time, but he went out of the retail business and started jobbing it in carload lots.

Q. You made a report against his getting lumber from those mills?—A. Exactly.

Q. Was that not because he was a member of your association?—A. Because he was a consumer.

By Mr. Sloan:

Q. I have here a letter.

EXHIBIT No. 11.

BIG BEND LUMBER COMPANY, LIMITED.

ARROWHEAD, B.C., October 29, 1900.

A. M. GROGAN, Esq.,

Secy. Treasurer Alberta Lumber Dealers' Ass'n,
Calgary, Alta.

DEAR SIR,—We beg to acknowledge receipt of your corrected list of dealers in Alberta, dated October 27.

We noted the absence of C. R. Fitness of Edmonton. Kindly let us know whether he should be on the list or if he is refractory.

And oblige,

Yours truly,

BIG BEND LUMBER CO., LTD.

Q. Was Mr. Fitness on the list prior to this date?—A. What is the date of that?

Q. October 29.—A. He was not a member of the association then.

Q. Was he ever a member of the association?—A. He is a member of the association now.

Q. He is now?—A. Yes.

Q. Why was his name dropped at this particular time on this corrected list?—A. List of the association's members? His name was not on because he had not joined.

Q. It says here: 'We note the absence of C. R. Fitness.' Was he ever prior to this a member of the association?—A. No, he was not a member of the association at that time.

Q. Your reply to the letter of the Big Bend Lumber Company, is as follows:—
(Reads.)

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EXHIBIT No. 12.

October 31, 1906.

Messrs. Big Bend Lumber Company,
Arrowhead, B.C.

GENTLEMEN,—In reply to your letter of the 29th inst. I beg to advise that Mr. C. R. Filtness of Edmonton, is not a member of the Alberta Retail Lumber Dealers' Association.

Yours truly,
A. M. GROGAN.

Q. The name should be Filtness, should it not?—A. Yes.

Q. What did you expect would happen from your reply to that communication?—

A. I did not expect anything. There are lots of them not members you know.

Q. You had in your mind the fact that the Big Bend Lumber Company would not sell him any more lumber?—A. Not at all.

Q. That is what you desired?—A. I did not desire it at all. There are 30 or 40 dealers in Alberta who are not members of the association carrying on a big business.

By the Chairman:

Q. What was the object of this company writing you that letter if it was not to ascertain whether this gentleman was refractory or not?—A. I don't know what they meant by that.

Q. Why did they write this letter? Did they have any doubt in their minds whether they should send him lumber or not?—A. I suppose taking the list of the association's members they can judge pretty well whether their credit is good.

By Mr. Fowler:

Q. The word 'refractory' would not refer to credit?—A. I don't know what that means.

By Mr. Knowles:

Q. At any rate the refractory man joined the association afterwards?—A. He joined the association.

Q. What is his name?—A. Filtness.

Q. What nationality is he?—A. American, I think.

Q. That was in accordance with your resolution? I will just read that portion of the resolution dealing with this: 'That he also inform the Mountain Lumber Manufacturers' Association that in future no excuses will be accepted for shipments other than to regular dealers, and upon proof being established that a mill has made such shipments, all members of the association will be notified to that effect and are pledged not to buy another inch of lumber from that mill.' You expected your reply to the Big Bend Lumber Company would have the effect of preventing Mr. Filtness from getting any more lumber?—A. No, I did not expect it at all.

Q. What would be the object of writing?—A. I simply wrote and told them he was not a member.

Q. In accordance with this resolution in your minutes, and you expected that he would not get any more lumber?—A. No, I did not expect it. As I tell you, there are 30 or 40 dealers not members of the association.

By Mr. Lancaster:

Q. You were not wasting ink and paper in writing them?—A. I would answer his letter the same as I would anybody else's.

By the Chairman:

Q. In sending to the millmen the names of those who were regular dealers did you include any except the members of your association?—A. None.

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By Mr. Fowler:

Q. Did you send a copy of that resolution to the millowners?—A. Yes.

Q. And a list at the same time of the members of your association?—A. I don't know whether the list of the association went at the same time. I keep them posted every month.

Q. That is what you would do in accordance with this resolution, and you said you carried out its terms?—A. I suppose we did.

Q. You sent a copy of that resolution and the list of persons to whom they were to sell?—A. Yes.

Q. And the Big Bend Lumber Company then wrote to you wanting to know whether Mr. Filtness was refractory. Your answer was that he was not a member of your association. What result did you expect?—A. I did not expect any result.

Q. You had no expectation or desire in respect to it?—A. No, I simply answered the letter.

Q. You did not intend that as an intimation to them?—A. It never crossed my mind for half a second; I would swear that on a hundred stacks of Bibles.

Q. I am merely trying to ascertain what the facts are?—A. That is the facts.

By Mr. Schaffner:

Q. What is your definition of a retail dealer?—A. A retail dealer is a man who carries a stock of lumber commensurate with the requirements of the district in which he is doing business—sashes, doors and lumber.

Q. He does not necessarily have to belong to your association?—A. No.

Q. But it seems to work out that way?—A. I don't see it.

Q. It seems to me that you gentlemen recommend that the mill-owner should sell to nobody who is not a member of your association?—A. They have perfect liberty to sell to any legitimate dealer, as you will find all through that correspondence.

By Mr. Sloan :

Q. Do you know whether your letter to the Big Bend Lumber Company had any effect in regard to Mr. Filtness getting any supplies of lumber?—A. He did not join us for two or three months after that.

Q. Did he eventually join your association?—A. Yes. He got lumber right along.

By Mr. McIntyre (Strathcona):

Q. Your resolution states that the information these manufacturers were to get was to be from you alone. That is the effect of the resolution : when they do not know an applicant for lumber they must either wire or write to you. If they use their own judgment when you reply as you did to the Big Bend Lumber Company, in face of the knowledge that they have they must necessarily be under the penalty of your resolution if they sell to that man?—A. Not at all. They are selling, as I say, right along to the consumers all the time.

Q. That may be true, I am not questioning that statement, but I say : in the face of the resolution you forwarded to these people in which you recommend that they do not sell to that man, if they do not follow out your instructions, they will be under a penalty. Therefore the only thing left for them to do is to follow your instructions?—A. Yes, if you like. Our whole principle is that they are not to sell to the consumer, doctor, and we stand right flat on that.

By Mr. McIntyre (Perth):

Q. As a precaution you adopt that policy?—A. We adopt that policy. That is why the association is formed.

By Mr. Knowles :

Q. You say you did not expect your letter to have any effect in the way of preventing Mr. Filtness from buying lumber?—A. I will swear to that.

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Q. That is as true as anything you have told us yesterday or to-day ?—A. Yes.

By Mr. Lancaster :

Q. Will you tell us how this resolution happens to be printed ? Is it in use wholesale ?—A. I sent it round to all the dealers.

Q. The resolution in this book is not written on manuscript, but printed?—A. Printed.

Q. Instead of being written ?—A. Yes.

Q. Then I apprehend it was already to put in before the minutes were written ?—A. It saved me writing it out.

Q. It saves you writing it out, but it was already printed?—A. Yes.

Q. Before this session of your association you had it printed ?—A. I wrote those minutes out a long time after the meeting was held.

Q. You did not write this resolution in pen and ink in the minutes?—A. It saved me the trouble of writing it.

Q. Of course it saved you the trouble of writing it if you used it instead, but it was ready for you to write in there at the time you wrote those minutes ?—A. I wrote those minutes probably about a month after the meeting.

Q. You made no record until you got this resolution printed ?—A. I had no record in that minute-book.

By Mr. McIntyre (Perth) :

Q. But you would have a memorandum ?—A. I had a memorandum, certainly.

By Mr. Lancaster :

Q. Which you copied into the minute-book ?—A. It is printed.

Q. There is a broader piece of paper pasted in here, I see ?—A. Yes. I had the rest of the minutes when the directors were in session and then I got that printed.

Q. For what purpose ?—A. To save typewriting it, as I had to send it round to all the members of the association.

Q. To how many ?—A. Hundred probably.

Q. So it was used as a notice ?—A. Used as a notice.

By Mr. Knowles :

Q. Have you any of the notes which you made ?—A. I have not any. I destroyed them just as I copied them out.

Q. When did you commence writing in this particular book ?—A. You can see the date of the organization meeting, it is written on there.

Q. I do not require you to tell me that; I can see it for myself. I ask you when did you commence to write in this book ?—A. Probably the day after the meeting.

Q. You will swear it was not since you were subpoenaed ?—A. I will swear it was within a week after the meeting was held.

Q. With regard to the first meeting ?—A. With regard to the first meeting.

By Mr. Sloan :

Q. I have a copy that is evidently written to Mr. Macdonald, of Edmonton. 'If he is O.K.' What do you mean by 'O.K.' ?—A. If his credit is all right.

Q. That is all the qualification he has to have?—A. That is all.

Q. Good credit?—A. I think you will find him on the list, he is a member.

Q. What do you mean by sub-section 2 of article 3? (Reads): 'Eligibility to membership in this association shall be finally determined by the board of directors as contrasted with subsection one which provides that any person regularly engaged in the retail lumber trade shall be eligible to membership in the association.'—A. It was never carried out.

Q. It was never carried out?—A. No, never carried out.

Q. What was the intention in putting it there in the first place?—A. It was copied out of the Western Association.

Q. And you never used it?—A. Never used it.

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By Mr. Knowles:

Q. Who bought all your supplies of stationery?—A. I bought them all.

Q. And attended to that?—A. Attended to that.

Q. Where did you buy this book?—A. Calgary.

Q. Of what firm?—A. Osborne Bros.

Q. Osborne Bros. stationery store, Calgary?—A. Calgary.

Q. On what date—this is the minute book I am referring to?—A. I think probably the next day after the organization meeting. I think you will see the account there where it was paid, probably about a month afterwards.

Q. What was all the printing about?—A. We had to print by-laws, blank price lists, applications for membership, letter heads and envelopes.

Q. What is done with the blank price lists?—A. Sent out to all the dealers.

Q. For what purpose?—A. To put their prices on.

Q. For use how? To nail up in an office do you mean?—A. To give to a consumer. If he came in to inquire about prices all he had to do was to just fill in the price list of the different boards. Everything was all printed. All he had to do was to put in the prices. I have one here.

By Mr. Lancaster:

Q. I do not see anything in the minutes of that meeting requiring that resolution to be printed and mailed to these people. How did it come to be done? There is no resolution in the minute book—nothing in the resolution itself, or anything done at that meeting, that I can find, requiring that resolution to be printed—the one that is pasted in—and mailed to these people. How did that happen to be done?—A. That was my own idea.

Q. Was it required by the president or directors?—A. No, I did that.

Q. So they leave pretty important matters to you in the way of administration?—A. All executive work.

Q. You, of your own motion, had that resolution printed?—A. Exactly.

Q. You charged the expense of printing it to the association?—A. Yes.

Q. And distributed it, without being directed to by your association, to these different people?—A. Exactly.

Q. To all these different members of the Retail Lumber Dealers' Association? That was part of your business to do that?—A. Yes.

Q. You were not found fault with for having done so?—A. No, sir. Mr. Knowles, there is the price list. (Document produced.)

By Mr. Knowles:

Q. Are the itemized accounts for printing among the papers you brought down?—

A. I have not the accounts here. I have only got the cash book.

Q. What about the expenses of different members who went to Edmonton?—

A. They are all in that.

Q. In detail?—A. In detail.

Q. They are in these papers, are they?—A. In those papers.

By Mr. Lancaster:

Q. I see that J. W. McNicol was paid his expenses to Edmonton, \$36.55. That was on July 30, to Edmonton?—A. We went to a directors' meeting up there.

Q. You were paid expenses to Edmonton on August 7?—A. That was just the one meeting we held there.

Q. You did not go on July 30 to the directors' meeting?—A. Yes, sir.

Q. Why did you not charge your expenses that day when Mr. McNicol was paid his expenses?—A. I put in the account some time after the meeting, when I wanted the money and thought of it.

Q. On July 30 is charged J. W. McNicol's expenses to Edmonton. You did not charge anything then, but you charged expenses on August 7. Was that an additional day or was it the July meeting?—A. The July meeting.

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Q. You charged on August 7, but it should be July 30, the same as Mr. McNicol's?
—A. You have got the cash-book there.

Q. Yes?—A. Those were the dates when the papers were made out.

Q. But the two accounts should be on the same day should they not?—A. It is the same meeting.

Q. They should be both paid on the same day?—A. Not necessarily. They should be if you come down to that.

Q. 'P. A. Prince, \$21.60, to go to Edmonton.' Why did you pay him?—A. He was a director.

Q. On August 11?—A. Yes.

Q. Would that be for a meeting in August or for the July meeting also?—A. That would be the July meeting. There was only one meeting held in Edmonton.

Q. 'F. D. Becker on September 1, \$21.26?'—A. That is the same meeting.

Q. Not paid in July, but September? That means the meeting in July, does it?
—A. Yes, sir.

By Mr. Knowles :

Q. These price-lists (exhibiting documents), are charged up to the association?—
A. No, that is Mr. Staples' own price-list.

Q. It has nothing at all to do with the association?—A. No. The rest is blank price-lists.

Q. The association distributed them free of charge?—A. Free of charge in blank.

By Mr. McIntyre (Strathcona) :

Q. Is A. J. Robertson one of your directors?—A. He was last year.

Q. I notice he wrote you on March 27, 1906, giving you the number of members in his district?—A. Yes.

Q. He also gives the number of non-members?—A. Yes.

Q. Have you any such list at hand as the non-members in the various districts?
—A. No. He gave me that information so that I could write to them and ask them to join.

By Mr. Knowles :

Q. Are there any price-lists from time to time in this batch of papers?—A. I think there are.

Q. Association price-lists, are they?—A. Just the Calgary price-lists, only.

Q. Just for your own town?—A. That is the only one I know anything about.

Q. Are you sure of that?—A. Those are the quarterly price-lists. They will all be used for price-lists. Those are the late ones.

The witness retired.

The examination of Mr. Becker continued.

By Mr. Knowles :

Q. You understand you are under oath?—A. I am under oath.

Q. Just before we adjourned yesterday I was asking you about the communications you had from the millmen. I asked you what your source of information was and you said you had no source of information, if I understood you rightly? I understood you first to say that you had no information whatever except what you got from Mr. Grogan. Did you say that?—A. I got my information from Mr. Grogan.

Q. I understood you then to say he was your source of information?—A. Yes.

Q. You still say the same this morning?—A. Yes.

Q. There is a copy here of your report, and I understand you have already authenticated it as being a correct copy of the original report which you made to the Retail Lumber Dealers' Association in which you yourself impart information to Mr. Grogan?—A. Yes.

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Q. Some explanation is required of this for it certainly confuses my mind. You still say your sole source of information was Mr. Grogan?—A. You are speaking about my report of the meeting?

Q. That is what I referred to, and I see you reported to Mr. Grogan?—A. To Mr. Grogan?

Q. I ask you to explain that seeming inconsistency?—A. How I came to report to Mr. Grogan?

Q. No. You made the statement yesterday and repeated it this morning—there must be some explanation, no doubt, of it—that your sole source of information was Mr. Grogan, and still you say that he secured his information from you?—A. In this particular case only. He had his information from me seeing that I was the delegate. This is the only information I imparted to him, you see.

Q. How then can he be the sole source of information for you when you tell me that you were a source of information for him? You were, were you not?—A. He naturally reported to all the dealers my report, and I got a copy of it, naturally enough.

Q. You had forgotten what you had learned before?—A. Naturally in the course of writing he would send a copy of my report to all the dealers, and I being a dealer would naturally get a report—that is plain to me.

Q. But how can you say that Mr. Grogan was your sole source of information when you yourself had been to the lumbermen and got information first hand? How do you make out under the circumstances, that your secretary was your sole source of information?—A. I do not make it out.

Q. You said a few minutes ago that he was your sole and only source of information?—A. I was referring to it, as you can understand, where the secretary imparts information to all dealers.

Q. You were not referring to anything. I asked you what was the reply of the lumbermen to the complaints made, and you said you knew nothing about it except what you learned from Mr. Grogan. Then Mr. Lancaster, having the papers before him, recalled to the committee and to you, the fact that you yourself were a delegate to the lumbermen's meeting and gave information to Mr. Grogan. You were about to let me drop the matter yesterday, thinking that Mr. Grogan was your sole source of information when you were his informant?—A. Well, from all appearances I had forgotten all about it you see. I cannot answer your question; I would like to, but cannot. I am in a peculiar position. My being a delegate you might put me in the case of a machine at this time and the machine reporting to the secretary of the association, and the secretary reporting back my report or the delegate's report to all the delegates.

By Mr. Lancaster:

Q. You do not mean to say that what you know as a delegate you forget as a man?—A. I understand, it is a peculiar position you place me in.

By Mr. Knowles:

Q. You were going to place us yesterday in the position of thinking that you knew nothing except what you learned from Mr. Grogan. That would not have been correct?—A. It would not have been correct.

Q. You admit you would have misled us yesterday?—A. It would have been misleading you, as I understand, but you know that I would not have forgotten that report.

Q. Many thanks?—A. I don't know why you dwell on it just now.

Q. So you cannot explain the fact that you told us Mr. Grogan was your sole informant when you were his informant?—A. No.

Q. And you will admit that your statement to that effect was misleading to the committee?—A. To all appearances, yes.

Q. Which is right, you had or you had not?—A. I had not forgotten it.

Q. Would other parts of your evidence be equally misleading?—A. No, I have no intention to mislead anybody.

Q. I am not asking you about your intentions. I say would other parts of your evidence be inaccurate and just as misleading?—A. My evidence already given?

Q. Yes?—A. No.

Q. Why may they not be, when in this case you were evidently misleading us?—A. May there not be others.

Q. Yes?—A. There may and there may not be, but as an intelligent man I would say that if anything of that kind has transpired I have no knowledge of it.

Q. But you led the committee to believe that when you answered the question as to the results which followed the complaints in regard to which you had been a delegate?—A. Yes.

Q. And only remembered these things through a circular letter that came to you. You swear to that?—A. Say that again.

Q. You gave the committee yesterday this statement on your oath: you told us the secretary was your sole source of information. Now you tell us that you had forgotten that you had first had the information yourself?—A. I said that I had forgotten my report.

Q. Yes. You told us that you had forgotten you had information yourself from the dealers. Do you wish us to believe that you really had forgotten that fact when you answered the question?—A. I do not wish you to believe I had forgotten that report.

Q. Had you forgotten it?—A. No, I had not forgotten it, most assuredly not.

Q. Which is right, you had or you had not?—A. I had not forgotten it.

Q. Then if you did not forget, you remembered?—A. Yes.

Q. When answering my question yesterday you remembered that you had information all the time from the manufacturers?—A. I had information from the manufacturers.

Q. You remembered that all the time?—A. I remembered it all the time.

Q. Remembering that, you swore that your sole source of information was the secretary?—A. I said my sole—

Q. Please answer my question. Remembering it all the time you swore your sole source of information was the secretary?—A. Well, you have got me in a peculiar box now. I see the whole business now.

Q. I do not think I have got you there—I want to be friends with you—but you have got yourself there—A. When you asked me—

Q. Now did you swear yesterday that your sole source of information was the secretary, and swear that remembering that you had got information first-hand from the manufacturers?—A. I knew I had a report, had the information from the—

Q. Answer my question?—A. I cannot answer it.

Q. Did you yesterday swear that your sole source of information was the secretary, and did you swear that, remembering that you, yourself had information at first-hand from the manufacturers?—A. I am not quite clear on that whole business. At that time there was commotion and I was a little excited.

Q. You said the same thing this morning, did you not—in the calmness of the morning—and with your memory refreshed, that the secretary was your sole source of information?—A. I said that, yes.

Q. Do you say so yet?—A. Well, he is now. As a delegate I was in that.

By Mr. Lancaster :

Q. As a delegate you remembered, but as a man you forgot?—A. In that particular instance.

By Mr. Knowles :

Q. You have told us the secretary was your sole source of information, have you not?—A. Yes.

Q. And you have told us you always remembered you had got first-hand information from the manufacturers?—A. I remembered? In this instance?

APPENDIX No. 6

Q. Yes, in this instance ?—A. Yes.

Q. You always remembered that ?—A. Always remembered it assuredly.

Q. You told us your sole source of information was the secretary, and you told us that remembering you had got first-hand information yourself ?—A. I told you that—

Q. Remembering—A. This was not on my mind at that time. I don't know what you are driving at, but still I want to make it clear.

Q. All the time you remembered you had got first-hand information ?—A. I remembered I had first-hand information.

Q. All the time ?—A. Not when I had made that assertion.

Q. You had forgotten ?—A. I had forgotten it, yes.

Q. But a moment you said you remembered all the time ? A minute ago I asked you and you said you remembered it all the time ? Did you not say that ?—A. I don't remember. You have got me all confused about that matter now. You have been dwelling on that for two hours and it will only end in the same thing.

By Mr. Lancaster :

Q. To give you an opportunity of talking about something you do remember, do you recall Mr. Taylor selling lumber to contractors at Calgary for the Ladysmith Lumber Company ?—A. I heard of Mr. Taylor selling lumber for the Ladysmith Lumber Company.

Q. You had something to do with having him stopped from selling to the contractors there ?—A. None whatever.

Q. Did you have anything to do with that ?—A. I don't know, Mr. Taylor. I don't know anything about him.

Q. You know him as the agent of the Ladysmith Lumber Company and Rothsay Lumber Company selling to contractors at Calgary—you knew of that ?—A. I was told that he was selling for the Ladysmith Lumber Company, that is all I know.

Q. Did you not have anything to do with having the mills stopped from sending him there, having him prevented from acting as agent and selling to contractors instead of to retailers ?—A. No, I had nothing whatever to do with keeping Mr. Taylor from buying lumber.

Q. From selling it to people other than retailers for those mills ? Did you have anything to do with that ? Be candid about it because we will get on much quicker than if we continually wasted time ?—A. No, I had nothing to do with it.

Q. Nothing whatever ?—A. Only through the association.

Q. Only through the association ? What you did through the association you did as much as though you did not do it through them. We don't want any distinction between a man when he is a delegate of an association and when he is not. You had, as a member of the association, something to do with stopping Taylor, or stopping the mills, using him as an agent to sell—to contractors ?—A. Not as a member of the association.

Q. You said just now you only had to do with it as a member of the association. Now what did you have to do with it as a member of the association ?—A. Mr. Taylor's name was never mentioned in any of our meetings or my letters.

Q. His name may not have been mentioned, but he was agent for the Rothsay Lumber Company and the Ladysmith Lumber Company. He was their traveller and selling to contractors in Calgary. Now, as a member of the association you told us you had something to do with preventing him from selling to contractors. What did you do ?—A. We tried to prevent these mills selling to other dealers.

Q. And you did succeed in preventing Mr. Taylor from selling to contractors at Calgary ?—A. I have no knowledge of that ; I cannot say whether it was ever stopped or not.

Q. Mr. Taylor, or whoever it was, the agent for the Ladysmith Lumber Company and the Rothsay Lumber Company ?—A. I do not know whether they stopped the selling or not, whether they did or not.

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Q. You know it was before the association, however?—A. It was never discussed at any meetings.

Q. Then what did happen? Tell us, it will save time and we will adjourn at 1 o'clock?—A. Well, ask me what you want.

Q. I want to know from you what happened? You say as a member of the association you had something to do with it or was that it?—A. We tried to stop those mills from selling to consumers.

Q. At Calgary?—A. Yes.

Q. Last year?—A. Yes.

Q. I suppose that is all you can say about it?—A. That is all I can say about it.

By Mr. Sloan:

Q. Yesterday, in your evidence, you stated that in many instances you bought lumber from the Mountain Mills at probably less than the list prices?—A. From the mills?

Q. Yes?—A. I buy lumber from the portable mills, the farmers' mills all through Alberta, sawing it into lumber.

Q. I understand you to say that you bought from the Mountain mills at less than the list prices?—A. I did in one case.

Q. In one case only?—A. Yes, but I buy from the portable mills, the native mills in Alberta.

Q. I understood you to say yesterday there were a number of instances?—A. No, sir.

By Mr. Fowler:

Q. Who did you buy from?—A. I bought from Watts.

Q. Watts, of Wattsburg?—A. Yes.

By Mr. Sloan:

Q. Yesterday, you said there were a number of cases in which you bought at less than list prices?—A. In the west, yes.

Q. What other mills did you buy from at less than list prices?—A. The Great West Lumber Company, Red Deer.

The committee rose at one o'clock.

FRIDAY, March 15, 1907,
3.30 o'clock p.m.

The committee resumed, Mr. Greenway, chairman, presiding.

The examination of Mr. Becker resumed.

By Mr. Lancaster:

Q. Is there any information you want to give the committee of your own volition?—A. No.

Q. There is nothing further you want to say?—A. No.

By Mr. Sloan:

Q. When selling lumber in your own yards what are your terms to the consumers?—A. The terms are cash to anyone we know nothing about.

Q. Take a farmer with a good valuable asset in the shape of a farm?—A. If he is a stranger we sell him nothing on credit, although a man will let a little lumber out occasionally. You know how such things go.

APPENDIX No. 6

Q. Do you charge interest on unpaid balances?—A. We do in cases like that.

Q. What rate of interest?—A. Eight per cent.

The witness was discharged.

The examination of Mr. Grogan continued.

By Mr. Lancaster:

Q. Will you look at this form with the Alberta Retail Lumber Dealers' Association heading and tell me what it is?—A. That was an application for membership before we got them printed.

Q. Is that the usual form they are in?—A. No, that was when they first started. We got printed ones after that.

Q. Is there not a material difference between the printed forms and that?—A. We have some printed forms among the correspondence. There is hardly any difference.

Q. Can you tell me what the difference is shortly?—A. It just asks where they are going to start the yard, the name, the point with the nearest station, how much lumber they are going to carry, and so on.

Q. What I want to get is one which will serve as a guide to the committee?—A. I think you will find one there.

Q. Was the application I hold in my hand acted upon?—A. Whose is it?

The CHAIRMAN.—Reid Bros., of Calgary.

A. Reid Bros., of Ranfurley, I think so. They are members.

By Mr. McIntyre (Perth):

Q. Have any of these applications been refused at any time?—A. No, sir.

By Mr. Lancaster:

Q. This one that is on a printed form is the Vegreville Lumber Company, is it?—A. Yes, sir, that is the regular form.

Q. September 6, 1906?—A. Yes, sir.

Q. It is on a printed form? 'I hereby make application to become a member of the Alberta Retail Lumber Dealers' Association,' and agree to conform to the constitution and by-laws of the said association, and agree to maintain the retail price-list (as arranged by the director in charge in my district), and agree not to engage in the contracting business.' Then follow questions as to where he is starting the yards, whether he is financially able to carry on a lumber business, and references. This is dated September 6 and the name is Vegreville?—A. It is on the C. N. R., the railroad line out of Edmonton.

Q. Those are the terms on which they join?—A. Yes, sir.

Mr. LANCASTER.—We can put that in as a sample form.

EXHIBIT No. 13.

I hereby make application to become a member of the Alberta Retail Lumber Dealers' Association, and agree to conform to the constitution and by-laws of the said association, and agree to maintain the retail price-list (as arranged by the director in charge of my district), and agree not to engage in the contracting business.

Name (in full)....The Vegreville Lumber Co.

Residence....Vegreville.

Starting yard at....Mundare, Alta.

Are you financially able to carry on a lumber business?—Yes.

Give two references....See former application.

Amount of business to be done....

Do you own the yard property?...Yes.

What other business are you engaged in?...None.

Amount of lumber you will carry in stock...Nine cars there now.

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Give number and names of the yards at present operating in the town....None.
 Distance from the nearest town having a lumber yard.—15 miles.
 Distance from railroad.....300 feet.
 Are you an experienced lumberman?...Yes.
 Give name of town previously in business.....
 Do you propose to have a practical man to run the business.....Yes.

Signed, THE VEGREVILLE LUMBER Co.,

Per Fredw. Erwin, Mgr.

Date, Sept. 6, '06.

Witness, R. G. Watson.

By the Chairman :

Q. This is the regular form I suppose ?—A. This is the regular form, sir.

Q. What is the object of certain particulars you require to be given, 'Give number and names of the yards at present operating in the town' ? In this case there were none ?—A. No, sir.

Q. Well, suppose there had been a number would that have affected this firm's right to start business?—A. Not at all, sir.

Q. What is the object of asking that question?—A. It was just to get all the information on the application.

By Mr. Lancaster :

Q. You also ask the distance from the nearest town having a lumber yard. You were very particular to get that information apparently ?—A. Well, these places are a long way from Calgary, and it is pretty hard to find out where they are.

Q. You not only ask whether there are any yards in the town but the distance from the nearest town having a lumber yard. You are not quite right in saying there were no material changes in the two kinds of forms. Here is one dated February 16, 1907, that shows a material difference ?—A. As to contracting, that is all.

Q. You have not got in this agreement the undertaking to maintain the prices arranged by the director. Here is one of February 18, from B. Hoaglin. It was signed by Archer B. Hoaglin. It is marked at the bottom 'O.K., McNicol.' What does that mean ?—A. It is in his territory.

Q. He O. Kd. that as being a proper application ?—A. It is in his district.

Q. And would not be acted upon unless the director in the district O. Kd. the application?—A. They all go to the director in charge of the district.

Q. Am I right in saying the application would not be acted upon and accepted by the association unless the director O. Kd. it ?—A. No.

Q. That is right, is it, he would have to O.K. the application?—A. He O.K.'s. all the dealers in the district.

Q. (Reads.) I hereby make application to become a member of the Alberta Retail Lumber Dealers' Association, and agree to conform to the constitution and by-laws of the said association and agree to start business within six months from date of application, failing which the membership is to be cancelled.'

The CHAIRMAN.—There is nothing there about the price list.

By Mr. Lancaster :

Q. There is nothing there about the price-list except in so far as the constitution and by-laws fix it. But in the other form of application you prescribe that the dealer is to be governed by the prices which the director may fix ?—A. Cutting out the contract is the recent form of application.

Q. It is not only cutting out the contracting but the undertaking to maintain the prices which the director fixes is left out of the more recent one. How did that come to be authorized or fixed ?—A. I think you will find it in the minute-book.

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Q. You ought to know? Was there a meeting for the purpose?—A. It came up at one of the meetings.

Q. Here is a letter Mr. McIntyre of Perth hands to me, Mr. Grogan, where you are writing on February 24, 1906, to William Dean at Olds.

‘DEAR SIR,—I have received a cheque for \$15 from Mr. C. Becker of Crossfield. Would you kindly notify all the owners of yards in your district, that all money has to go through your hands first, and therefore all remittances should be made to you direct.

‘Owing to the recent changes in several yards it is impossible for me to know who should become members in the association.

‘Kindly advise me in regard to Mr. Becker.’

What is the meaning of your knowing who should become members of the association?—A. Will you just let me look at that?

Q. We might take our own meaning from that and not be doing you justice?—A. A consumer might put in an application to join the association just to get lumber for his own building.

By the Chairman:

Q. You speak there of changes, ‘Owing to the recent changes’?—A. Well, that is a town that is going ahead.

By Mr. McIntyre (Strathcona):

Q. Do you mean changes in the management of the yard?—A. No, changing owing to population going in there that we have no track of.

Q. Why do you want to know about that, what has the question of population to do with whether a man shall be allowed to open up a lumber yard?—A. A stranger might put in an application and I would not know anything about it, and it has to go through the director to find out whether he is a dealer.

Q. That is all you say about that, or all that you wish to say about it?—A. That is all, sir.

Q. Have there been any other changes in the form of application?—A. We got out two applications, the first would not allow the contractors to join, and we cut that out and now they can join.

Q. That is not the only change in the application, you specially bind a man in the first form to be bound by the prices that the director shall fix, the director has power to say what prices he shall charge, and you have left that out of the second application form besides the change regarding the contractor?—A. Left out, that was part of it, that was.

Q. When was that done?—A. Just lately, I was looking it up in the minutes just now.

The CHAIRMAN.—We had better have all these application forms in.

Application form put in and filed as

EXHIBIT 14.

‘16th February,

‘ANNA B. HOAGLIN,

‘Taber, Alberta.

‘DEAR MADAM:—

‘I beg to inclose herewith, certificate No. 102, for your membership at Bow Island, in the Alberta Retail Dealers’ Association, for the year 1907.

‘Yours truly,

‘A.M.G.’

‘A. M. GROGAN.’

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Statement as January 17, 1907.

Assets.	\$22,925 74
Liabilities.	1,345 16
Net.	\$21,580 58

ALBERTA RETAIL LUMBER DEALERS' ASSOCIATION, APPLICATION FOR MEMBERSHIP.

'I hereby make application to become a member of the Alberta Retail Lumber Dealers' Association, and agree to conform to the constitution and by-laws of the said association, and agree to start business within six months from date of application, failing which the membership is to be cancelled.

- 'Name (in full), Anna B. Hoaglin & Archer B. Hoaglin.
- 'Residence and post office address, Taber, Alta.
- 'Require membership for yard at Bow Island, Alta.
- 'Now operating yards at
- 'Are you financially able to carry on a lumber business? Yes.
- 'Give two references. Enterprise Lumber Co; Canadian Bank of Commerce, Lethbridge.
- 'Amount of business expected to be done.
- 'Do you own the yard property? Yes, the town site of Bow Island, 160 acres coal and surface.
- 'What other business are you engaged in? General merchandise.
- 'Amount of lumber you will carry in stock. About \$1,500.
- 'Give number and names of the yards at present operating in the town. None.
- 'Distance from the nearest town having a lumber yard. Sixteen miles.
- 'Distance from railroad. On C.N. railroad.
- 'Are you an experienced lumber man. No.
- 'Give name of town previously in business. Taber.
- 'Do you propose to have a practical man to run the business? Yes.

(Signed) 'ANNA B. HOAGLIN.

'ARCHER B. HOAGLIN.

'Witness, E. S. BOWDEN.

'Date, February 16, 1907.

'O.K.

'McNICOL.'

Q. With regard to this matter of reference, supposing a stranger wants to come into what you call the 'legitimate lumber business' and has not any relatives in the country there and perhaps has not known anybody for three months, how can he get a reference from anybody that knows about him, his character or financial standing? What would you do with a man of that kind when you ask for a reference?—A. He gives a reference to the bank.

Q. A reference to the bank?—A. A bank reference is all we want.

Q. You will not say that you go to the bank and ask about that?—A. Yes.

Q. He would not be obliged to give a reference on that form?—A. He can give a bank reference, that is all that is required.

Q. The bank he was dealing with?—A. Yes.

Q. Here is a matter in June, 1906, I think you ought to be allowed to explain. A letter written you by Alexander White, of Carstairs. Are the Breckenridge Land Co. contractors?—A. They are retail dealers, sir.

Q. He says, 'As I have informed you, I have kept strictly to the list.' Does that mean the price list authorized by your association?—A. The price list that they agreed to at the town.

Q. Well, under the constitutional requirements of your association?—A. It was their own agreed price list at that time.

APPENDIX No. 6

Q. And the price list 'should be around \$12.85, and I can sell this bill of material at full list prices if the Calgary yard keeps the price.' Does that mean keep the price up?—A. The price agreed to by Calgary.

Q. That is that they stick to it?—A. Yes.

Q. Is there any explanation you wish to make about it? That this man saved from \$50 to \$70 on the order, as he states in that letter, on a previous delivery, that he got it that much cheaper than he could have got it through your association?—A. I would just like to look at it—(Reads letter.) Certainly, did you read the answer to it?

Q. No, is there an answer here?—A. Yes, the answer is pinned to it.

Q. Do you wish it read? I was asking you what that meant, in the letter there?—A. I will read the answer.

Q. You mean that the answer is that the statement that the man had saved \$60 or \$70 on the former order is not true?—A. Yes.

Q. You decided that to be so because the man that was accused of doing it says he did not do it?—A. Yes.

Q. That is as far as you investigated?—A. That is so.

Q. If I was charged with doing anything and you investigated it and I denied it, you would say it was not true because I denied it, and that is as far as you would investigate?—A. That is so.

Q. And it is so that you settled that by simply asking the other man if it was so, and if he denies it you hold that it was not so?—A. And it was proved that it was not so.

Q. But the evidence you have that it was not so is his denial?—A. Yes.

Letters of June 15 and 16, 1906, filed as

EXHIBIT 15.

'CALGARY, June 16, 1906.

'ALEX. WHITE, Esq.,

'Mgr. Carstairs Lumber Co.,

'Carstairs.

'DEAR SIR,—I am in receipt of your letter of the 15th inst., *re* bill of material for Mr. D. P. McDaniel, which was to be figured on by the Breckenridge-Lund Co.

'I have interviewed Mr. Jaynes (manager of above company), and he says that he quoted full retail prices at Calgary, so your customer has not benefitted anything by the transaction, as he might just as well have bought the goods from you.

'Kindly keep me posted on all cases of this kind, so that we can give you protection.

'Yours faithfully,

'A. M. GROGAN.'

(Private.)

'CARSTAIRS LUMBER CO., LUMBER MERCHANTS,

'CARSTAIRS, ALTA., June 15, 1906.

'A. M. GROGAN, Esq.,

'Calgary.

'DEAR SIR,—In confirmation of telephone message to-day, I called your attention to a bill of material for house, D. P. McDaniel here, which is to be figured on by Breckenridge-Lund Co., Calgary.

'As I informed you, I have kept strictly to the list, and knew that the quotation should be around \$12.85, and I can sell this bill of material at full list prices if the Calgary yard keeps the price. The reason I fear unfair competition is that the B. L. Co. shipped a mixed car of material to Mr. Oatman, at Crossfield, for a house, and informs me that he saved \$60-\$70 on the Crossfield dealers' figures.

'I trust you will treat this information in confidence.

'Yours truly,

'ALEX. WHYTE.'

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Q. Now here is a letter to you written by the Columbia River Lumber Company signed, it is addressed to Gordon & Gordon Chipman, Alberta, are Gordon & Gordon members of your association?—A. No, sir.

Q. What are they?—A. Contractors.

Q. A wholesale lumber company, not retail?—A. Contractors.

Q. The Columbia River Lumber Company seems to write a letter, but it is not signed by anybody, apparently; an oversight in sealing up the envelope without the letter being signed. It was intended to be signed. This is an answer evidently to the application of Gordon & Gordon for lumber because it says, 'If you decide to go into the retail lumber business would strongly advise you to join the Alberta Lumber Dealers' Association'?—A. Yes.

Q. Is this a copy of your answer to the Columbia River Lumber Company? Is that taken from your letter-book?—A. They are all carbon copies.

Q. This is your answer, it is not signed by anybody and no heading?—A. Yes, I think likely it is.

Q. So that the Columbia River Lumber Company sent you this as a copy?—A. That is it.

Q. And informed you in that way that they advised these people to join your association and gave as a reason that they would get assistance in maintaining quotations, making collections, and generally keeping business in shape. That is usually understood to be among the objects of the association, is it, the maintenance of quotations and these other things?—A. Yes.

Q. Is there anything you want to say about that?—A. No, sir.

Letter and reply filed as

EXHIBIT No. 16.

'CALGARY, August 28, 1906.

'Messrs. Columbia River Lumber Co.,
'Golden, B.C.

'GENTLEMEN,—I thank you for the copy of your letter you sent to Messrs. Gordon & Gordon, of Chipman, dated August 25, advising them to join the Alberta Retail Lumber Dealers' Association.

'Yours very truly,'

'A. M. GROGAN.'

'COLUMBIA RIVER LUMBER COMPANY, LIMITED.

Mills at—

'Head Office at Golden, B.C.

Golden, B.C.

Beaver, B.C.

Kualt, B.C.

Carlin, B.C.

'GOLDEN, B.C., August, 25, 1906.

'GORDON & GORDON,

'Chipman, Alta.

'DEAR SIRs,—In reply to yours of the 20th, we are so crowded with orders at present that we could not undertake to make prompt shipment, but if you could wait for a few weeks, we could probably handle it.

'If you decide to go into the retail lumber business would strongly advise you to join the Alberta Lumber Dealers' Association, and would suggest that you communicate with Mr. A. M. Grogan, secretary of that association at Calgary. We think you will find many advantages in becoming a member, thereby getting assistance of the other dealers at adjoining points in maintaining quotations, making collections and generally keeping business in shape.

'Yours truly,'

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Q. On June 19 Mr. Barclay, manager of the Claresholm Lumber and Grain Company, Limited, seems to have complained in this way to you?

Perhaps we had better have the whole of the correspondence bearing on this matter appear in the evidence.

Correspondence put in and marked

EXHIBIT No. 17.

CLARESHOLM LUMBER AND GRAIN CO., LIMITED,
CLARESHOLM, ALTA., June 19, 1906.

Mr. A. M. GROGAN,
Sect'y Treas., Alta. Retail Lbr. Dealers' Assn.,
Calgary, Alta.

DEAR SIR,—This is to notify you that five days from this date it is our intention to take our yard at Claresholm out of the association.

Our competitors, the Enterprise Lbr. Co., are stabling and feeding all teams free of charge that deal with them, and if the assn. are not in a position to allow us to make a reduction in our prices to offset this we shall be obliged to take this step to hold our trade.

The difference we ask for in prices will be \$1 per M., as the accommodation afforded the buyers will amount to this.

We notified their yard foreman of our intention some days ago, who promised to communicate with their manager, Mr. McNicol, but as they are still doing this we presume they intend to take no notice of us.

Yours very truly,
THE CLARESHOLM LUMBER AND GRAIN CO., LTD.
Per WM. BARCLAY, Mgr.

Mr. BARCLAY,
The Claresholm Lumber and Grain Co.,
Claresholm.

CALGARY, June 22, 1906.

DEAR SIR,—Your favour of the 21st inst. to hand and contents noted. I inclose herewith a copy of a letter I have written to Mr. Robertson, the director in charge of your district, and have no doubt he will be with you immediately and settle any grievances.

Thanking you for drawing my attention to this matter, I remain,
Yours faithfully,

A. M. GROGAN.

June 20, 1906.

W. BARCLAY, Esq.,
The Claresholm Lumber and Grain Co.,
Claresholm, Alta.

DEAR SIR,—I have your letter of the 19th inst. advising me that the Enterprise Lumber Co. are stabling and feeding customers' teams free of charge. Immediately on receipt of your letter I wired Mr. McNicol at Lethbridge to have this stopped, which I have no doubt will be attended to at once.

It is not necessary to threaten to leave the association whenever you have a complaint to make, as my business is to attend to matters of this kind, and straighten them out.

Of course, as you are well aware, it is impossible to have everything running smoothly all the time; there is certain to be friction occasionally.

You should have notified me of this complaint as soon as it started. When I hear from Mr. McNicol I will write you again.

Yours faithfully,

A. M. GROGAN.

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CLARESHOLM LUMBER & GRAIN CO., LIMITED,
CLARESHOLM, ALTA., June 21, 1906.

Mr. A. M. GROGAN,
Secty.-Treas., Alta. Retail Lbr. Dealers' Assn.
Calgary, Alta.

DEAR SIR,—Yours of the 20th inst. to hand and contents noted. In reply I may say I was a little hasty in wanting to leave the association, but when you consider that Mr. McNicol being one of the directors would sanction this we considered that we were better out of it until such time as the association placed men on the board that would live up to the principles of the association themselves.

There are some other things I would like to lay before you, and if it could be arranged that you and Mr. McNicol could be here at the one time I think I could show you where I have a just grievance.

Yours very truly,
WM. BARCLAY.

CLARESHOLM LUMBER & GRAIN CO., LIMITED,
CLARESHOLM, ALTA., July 9, 1906.

Mr. A. M. GROGAN,
Secty.-Treas., Alta. Retail Lumberman's Assn.
Calgary, Alta.

DEAR SIR,—Has any action been taken yet with regard to the Enterprise Lbr. Co. stabling and feeding horses at this point?

Please let us know by return mail if the association intends to take this matter up, or if we will have to resort to other methods to hold the trade?

Yours truly,
THE CLARESHOLM LUMBER AND GRAIN CO., LTD.
Per WM. BARCLAY, Mngr.

CALGARY, July 10, 1906.

WILLIAM BARCLAY, Esq.,
Lumber and Grain Co.,
Clareholm, Alta.

DEAR SIR,—I have your communication of the 9th inst. regarding your complaint as to the Enterprise Lumber Co., 'stabling and feeding horses.' I brought the matter up at the last meeting, at the board of directors and would say, it was their unanimous opinion that it was a matter entirely outside of the association, as the opinion was expressed that was the usual custom all over the country to do the same thing. It has been done in Calgary, and it is quite a customary thing in the north for the dealers to put up a shed for the convenience of the customers. So I think that if it would benefit your business in any way you should do the same thing, as the basis of association of costs is for the dealers to keep an agreed price-list, so if any dealer adds to his cost of the lumber any additional expense it is evidently his own lookout. Any legitimate way of bringing in business, looking after your business, by attending to their comforts is practiced everywhere, so if you will allow me to suggest, I would do exactly as the other fellow is doing if it will help you in any way.

Yours truly,
A. M. GROGAN.

Q. They did leave the association, did they?—A. No, sir.

Q. That had to go to the association when the matter was arranged?—A. Yes, sir.

Q. I notice that you received a letter dated May 2, 1906, from William Salvage, of Grassy Lake, Alta., and replied to it. The letters are as follow:—

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WM. SALVAGE, GENERAL MERCHANT,
GRASSY LAKE, ALTA., May 2, 1906.

A. M. GROGAN, Esq.,
Calgary, Alta.

DEAR SIR,—Yours to hand, April 30 *re* Retail Lumberman's Association. Inclosed please find cheque for \$15.25, necessary fee to become a member.

Yours respectfully,

WM. SALVAGE.

May 6, 1906.

WM. SALVAGE, Esq.,
Grassey Lake, Alberta.

DEAR SIR,—I beg to acknowledge receipt of your letter of the 2nd inst., inclosing cheque for \$15 for membership fees to the Alberta Retail Lumber Dealers' Association. I am glad to welcome you as a member in the association, and have no doubt but what you will adhere strictly to the regulations of the association and the price list to be established in your town. Thanking for remittance, we remain,

Yours truly,

A. M. GROGAN.

When you acknowledged the receipt you required him to adhere strictly to the price list to be established in his town. Have you anything to say about that?—A. No.

Q. It is understood then that when a man joins he must always adhere to whatever price list is established by the association for his town?—A. I did not quite catch the line of that question.

Q. He must always abide by any price list that is to be established by the association for his particular town?—A. He would establish it himself. He was the only man there.

Q. But that is not what the letter says. I know he could if you had not an association. I am desirous of finding out whether you would expect him to be bound by the prices arranged by your association for his town in the future?—A. Yes.

By the Chairman:

Q. Through the local director?—A. The local director there would meet him probably.

By Mr. Lancaster:

Q. So it is quite understood that when he joins he must always adhere to the prices that may be fixed from time to time?—A. The dealers themselves fix the prices.

By the Chairman:

Q. With the assistance of the local director?—A. If he is there.

By Mr. Lancaster:

Q. But you are concerned in it, because you notified that man you expected him at all times to be bound by the price list, when you acknowledged the receipt of his \$15?—A. That is governed by the by-laws.

By Mr. McIntyre (Perth):

Q. Does this letter properly represent your attitude with regard to applications at points where you think a man should not enter into business (Reads):

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EXHIBIT No. 18.

13th July, 1906.

WILLIAM BROWN, Esq.,
ARBUTHNOT RANCH,
Gleichen, Alta.

DEAR SIR,—I have your letter of the 9th inst., and we are sending you, under separate cover, a supply of blank price lists. It is not necessary for you to send me your price lists.

Section 5 the by-law means; that if there several dealers at one point, the director in charge of the district, will call a meeting and arrange prices that are satisfactory to all the dealers in that particular point. All applications to open lumber yards come through me, and if the director in charge of the district thinks it is not necessary to open a yard at that particular point the applicant is recommended to points where yards are required, but this association does not prevent a man opening up wherever he chooses.

Yours truly,

G. E.

A. M. GROGAN.

A. You understand that do you gentlemen?

Q. That is your attitude.—A. That is my attitude all through that correspondence. I wish, gentlemen, you would thoroughly understand that too. I am glad you are going to put that in as an exhibit the same as the other letters.

By Mr. Lancaster:

Q. Do you want to indicate any particular letters that you wish to have read?—

A. You can see them all. You asked me to bring the correspondence and there is everything. After you have all finished with me I would just like to address the committee.

Q. Have you got the circular letters from Mr. Wells as to prices to be fixed?—

A. No, sir. You have asked me that four times.

Q. You never did have any—A. No, sir.

By Mr. Fowler:—

Q. Do you want to make your statement under oath?—A. I will make it any way you like.

Q. You want it as part of your evidence?—A. Yes, sir.

By Mr. McIntyre (Perth):

Q. I will read this letter which does not differ very largely in principle from many others, but it shows how the association works. It is addressed to Mr. Grogan, and is from Staples & Co., Limited, in reference to the starting of a lumber yard at Didsbury. The letter is as follows:

EXHIBIT No. 19.

STAPLES & COMPANY, LIMITED, WHOLESALE AND RETAIL DEALERS,
CALGARY, Alberta, December 12, 1906.

Mr. A. M. GROGAN,
Calgary.

DEAR SIR,—A Mr. F. A. Lackner, of Didsbury, has been wanting us to put a lumber yard in at that point, and we have as yet not given him any decided answer. In fact, we have not been thinking of it very seriously, but he is getting rather anxious to have another lumber yard there, on the east side of the track, in order to boom his part of the town site, but as I have been delaying the matter, he is talking about putting in a yard of his own, and has written us for wholesale lumber prices.

I do not think that it would be wise for Mr. Lackner to put in a lumber yard there, and did not send him lumber prices, but I told him to write to you, so kindly

APPENDIX No. 6

take the tip. If Didsbury requires a third yard, it is up to our association to see that a good dealer goes in there, but at the present time I hope that you will discourage him in the idea. I trust that you will be (out of a price list) when the time comes to send him a list. (Savie.)

Yours very truly,

STAPLES & COMPANY, LTD.,

Per F. D. BECKER.

A. The man had no capital, that was the whole truth of that.

By Mr. Lancaster:

Q. Are you troubled very much about the capital that a retail dealer has? What amount of capital does a retail dealer need?—A. If a man joins our association it is taken as a kind of guarantee that he is all right.

Q. Do you mean to say that the mill men would expect your association to see that he pays his bills just because he is a member of your association?—A. He would not expect us to do that any more than any other business, but if he joins our association we would see that he had the money to start it.

By Mr. Sloan:

Q. What rating do you generally require of a dealer before giving him membership—A. There is no rating fixed.

Q. If there is none, why ask about capital?—A. It does not require any special amount, but that he should have enough to pay for his order.

By Mr. McIntyre (Strathcona):

Q. You said first that your initial price, or the basis of price, is the retailers' price which comes from the wholesaler?—A. Yes——

Q. And secondly that there is a general sentiment, we will not use that 'basic principle' again, but there is a general sentiment that the retailer to live must have 20 per cent on his wholesale price?—A. Yes.

Q. Is that the way?—A. In Calgary, I do not know anything about the other places.

Q. The Retail Association, as a whole, has nothing to do with it?—A. Nothing at all.

Q. Nothing at all?—A. No, because the next place north might be working on say 22 per cent, but that is how we work it in Calgary.

Q. Take the retailers first, then the retailer has nothing to say about it as an association?—A. In what way.

Q. The Retail Association has nothing to do with the price?—A. That is as a whole?

Q. Yes.—A. No.

Q. It has nothing to do with it?—A. It is arranged by the dealers.

Q. And so then the Retail Association takes no interest in prices, that is what you wish to say?—A. Nobody but the dealers.

Q. Then in the third place the price is settled by the local dealers in each town?—A. Yes.

Q. Under the direction of the director of your association?—A. Not necessarily.

Q. Does your director have anything to do in getting those men together and settling prices?—A. He probably would where he had his lumber yard, but 20 miles away there might be two other yards and he would not go there.

Q. Those people meet him in localities having no organization?—A. No organization, no.

Q. Every local territory fixes its own?—A. Exactly.

Q. In relation to the Retail Association?—A. Well, where they are members of the association.

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Q. But as a whole in relation to the Retail Association he fixes the price?—A. No.

Q. That is your idea?—A. That is the only intelligent way I have had it put to me yet.

By Mr. Lancaster:

Q. Were you in the habit of forwarding complaints to the Wholesalers' Association where members of their association would sell to people other than in the trade?—A. They generally went through the secretary.

Q. Who was that?—A. Mr. Wells.

Q. Well, you would send them, would you not?—A. Well, the dealers themselves send them direct.

Q. There is a letter here from the Staples Lumber Company per Mr. Becker, that is the manager who was in the witness box, stating to you that they had information that the Elk Lumber Company are still shipping lumber to consumers? He says, 'I think it will be just as well to hold off until we get good proof.' What association was he going to notify?—A. The Alberta Retail Lumber Dealers' Association.

Q. What would be the object of notifying them? I should think it would be the Wholesalers' Association he would want to notify?—A. No.

Q. This man is a wholesale jobber as well as a retailer?—A. We only know him as a retailer.

Q. 'The writer is of the opinion that Skead & Co. of Calgary are buying lumber from the Elk Lumber Co., as I do not know where else they could get it.' What does he mean by that short sentence?—A. The Elk Lumber Company are the only people shipping to consumers in Alberta; they have never stopped.

Q. Do you know whether they are members of the Mountain Lumber Manufacturers Association?—A. I could not say.

(Letter read as follows:)

EXHIBIT No. 20.

STAPLES & COMPANY, LIMITED, WHOLESALE AND RETAIL LUMBER DEALERS,
CALGARY, ALTA., September 13, 1906.

Mr. A. M. GROGAN,
City.

DEAR SIR,—We just had information this p.m. that the Elk Lumber Co. are still shipping lumber to consumers.

A Mr. H. N. Sereth, who is a traveller for the Big Bend Lumber Co., and also a small jobber in the lumber business, called in our office to-day and told us that he met a Mr. Robson at the Crow's Nest branch, and this Mr. Robson stated that he could buy all the stock he wished from the Elk Lumber Co., and was shipping stock to Smith Bros. & Wilson, at Lethbridge, and had full authority to sell to any consumer that had the money.

We have not as yet received authentic reports, but the writer thought that in the interim he would give you what information is now out.

You will remember that the outcome of the writer's visit to Nelson was apparently satisfactory, inasmuch as the Elk Lumber Co. promised faithfully not to ship lumber to other than regular dealers.

I do not know whether it would be advisable to notify the association as yet, but feel it would be just as well to hold off till we get good proof. The writer is of the opinion that Skead & Co., of Calgary, are buying lumber from the Elk Lumber Co., as I do not know where else they could get it.

Yours truly,

STAPLES & COMPANY, LTD.

Per F. D. Barker

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By Mr. Heron:

Q. They are the only manufacturers that ship to consumers?—A. The only ones that I know of. I have only to say that I thank you all, gentlemen, for the way in which you have handled the question. It has been rather difficult to answer everybody firing question at the one time, and it is probable that some of the committee think one thing and some another. Now the only point I wish the committee to understand is the point that I dictate as to who the millmen should sell to. The gentleman who comes from Assinaboia, he always forgets my name, and I always forget his. Mr. Knowles ragged me for about 20 minutes on the point that I was an arbiter, a kind of Czar, as to whom would buy lumber. Now I wish you gentlemen to thoroughly understand, if you have the impression that I have the say as to who shall buy lumber, that it is radically wrong. The millmen can sell to whom they please; I wish every gentleman to understand that. Mr. Knowles got up and made a grand stand play talking to the farmer or somebody else and tried to make out that I said—tried to make me say something that I did not intend to.

Mr. FOWLER.—I do not think you should make any reflection upon any member of the committee.

The CHAIRMAN.—I was going to say that he must not do that.

The WITNESS.—Well, I will withdraw that. I did not mean to say that. Mr. Knowles tried to make me say something, and did make me say something that probably some members—one member told me probably I said a few things—

The CHAIRMAN.—I do not think Mr. Knowles intended to say that you were an arbiter, except by direction of your association, as an officer of your association.

Mr. LANCASTER.—That was it. I suggested to call it judging, because you were judging the prices.

The WITNESS.—He got hold of me after you had finished, sir.

Mr. LANCASTER.—I thought you admitted you were the man who decided that question.

The WITNESS.—I got so tired of him that I let him wrangle on and say anything he wished to say.

By Mr. Lancaster:

Q. Do you wish to say that you are not the man that decides the question?—A. I pointed out yesterday, and I think made it perfectly clear to you to-day, that I have not had to do a thing that way, as to who the millmen should sell to.

Q. You had to decide as to how they should become members of the association? A. In what way?

By the Chairman:

Q. Under the direction of the local director?—A. Any man can join the association who wishes to do so.

Q. That would not appear from your by-laws?—A. He can start business as a retailer as he would a store, but he cannot start a store on nothing. You cannot run a lumber yard on nothing; you cannot run a lumber yard on wind.

By Mr. Lancaster:

Q. You make inquiries do you not and decide whether the applicant should be admitted or not?—A. If a man makes an application—supposing he sends it to me first. Supposing he comes to the office and writes it out—in the office and is going on to Wetaskiwin. I don't know anything about the man. I send the application up to the director at Wetaskiwin and he O.K's it and sends it back and gives me the money and the man becomes a member.

By Mr. McIntyre (Strathcona):

Q. You will excuse me asking a question, Mr. Grogan, here is the point on which the matter rests: we were discussing the resolution that your Retailers' Association had sent to the millmen stating that if they did not all conform to the rule by not

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selling to consumers they would be practically boycotted by you. Now that was the particular resolution under which this arose. Then again they were referred to you to say who were the legitimate dealers. Now when you are asked, with respect to a town of which probably you have no knowledge, as to whether a man is a dealer or not, your only source of information is the man who is in your association?—A. Certainly.

Q. Might he not be a legitimate dealer under your definition, and yet you would reply that he was not a member of your association?—A. No, I would write up to the director to find out.

Q. Well that is a different matter?—A. Yes.

The CHAIRMAN.—In the resolution Mr. Grogan was acting in his capacity as an officer of the association?

Mr. McINTYRE, (Strathcona): But that is the connection, if my memory serves me right, in which that matter arose.

By Mr. McIntyre (Perth):

Q. I notice this letter in the correspondence: (Reads):

EXHIBIT 21.

CALGARY, May 23, 1906.

C. HIEBERT, Esq.,
Didsbury, Alberta.

DEAR SIR,—I have your letter of the 22nd inst., and note that you state that the Alberta Portland Cement Co. of Calgary have purchased the Didsbury Manufacturing Co., and that they propose to start a retail yard in connection with the factory. Would say that the Alberta Portland Cement Company have not made application to join the association, but as long as they carry on a legitimate lumber business, the Mountain mills will supply them with lumber irrespective of their being members of our association. If you will notice the constitution of the association, copy of which I enclose Article 3, Section 1, will cover that point. The association has no jurisdiction over anybody who wishes to start a *legitimate* lumber business in any town, and so long as they do not cut prices they cannot injure the trade of the present lumber yards. I am, however, submitting your letter to Mr. Dean, Olds, the director in charge of your district.

Yours truly,

A. M. GROGAN.

Q. Do you desire that?—A. Yes, it carries out my idea. Any man can start a lumber business in Alberta who wants to.

The following document was put in and marked

EXHIBIT No. 22.

ALBERTA RETAIL LUMBER ASSOCIATION.

CALGARY, ALT.

We, the undersigned, hereby make application for membership in the Alberta Retail Lumber Dealers' Association. We agree to conform with the constitution and by-laws of the association, and the price-list arranged by the dealers in our district.

(Sgd.) REID BROS.

Inclosed find cheque for said amount.

Witness discharged.

Mr. H. O. PARTRIDGE sworn.

By Mr. Lancaster:

Q. What is your name?—A. H. O. Partridge.

Q. Where do you live?—A. At Sintaluta, Sask.

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Q. Are you here in any representative capacity to-day?—A. Yes, I have been appointed by the Grain Growers' executive of Saskatchewan.

Q. The Saskatchewan Grain Growers' Association executive?—A. Yes.

Q. That association extending through the province of Saskatchewan?—A. Exactly. Just a few days before I left the executive, at least the secretary of the association, received a letter from the Select Committee of the House of Commons on this lumber combine asking them to send a man down to represent them before this committee.

Q. And they selected you for that?—A. Yes, of course the time was very short, and while pleased that this investigation was taking place and that an opportunity would be accorded the grain growers of testifying in the matter, still they regretted the fact that so little time had been given them to prepare evidence that might be given to the members of the committee of the actual existence of this alleged combine, so that we had to depend largely upon circumstantial evidence in the matter and we have to depend largely upon making some impression upon this committee by giving the actual situation as we found it, in the west.

By Mr. McIntyre (Strathcona):

Q. Are you not aware of the fact that this matter was discussed in the House nearly a month before you received your notice? Would not the association naturally infer that they should be prepared, this matter was not sprung on them?—A. Of course you must understand that we can only get at this from a consumer's point of view, we cannot be asked to give direct evidence as to the actual existence of that combine.

By Mr. Lancaster:

Q. What we want you to tell us is from the consumer's point of view, you know about the facts. Do not worry about what other people can tell us, tell us what you know about it from a consumer's point of view. Perhaps I can help you by questioning.—A. All that we can give is the actual price that we have to pay as consumers.

Q. Do you know of any extraordinary rise of price within the last year or two?—A. Yes, there certainly has been.

Q. When was the first one that was at all startling?—A. Well, during the past year there has been a rise of, on an average I should judge, comparing last year's price list with the present, an average rise of about \$7, something like that.

By Mr. McIntyre (Strathcona):

Q. A rise of \$7 per thousand?—A. \$7 per thousand.

By Mr. Lancaster:

Q. That is on ordinary lumber?—A. Yes, on ordinary lumber. That would be, I think, approximately speaking, a fair average.

Q. What were the figures before the rise?—A. Well, for instance, we will take common boards.

Q. Yes, ordinary inch lumber that the ordinary poor man would buy out there, staple stuff.—A. Yes, that is staple stuff, common boards, and probably shiplap, which is the most commonly used by farmers and by the general public. We will say, for instance, that the boards a year ago were selling, fir and spruce at \$23 a thousand, and dimension, say, at \$24, but at the present time under the present price list they are from \$30 to \$31. So you can deduct the one from the other and it will give you the actual rise in prices for that time.

Q. Where was that, at what places?—A. At Sinaluta.

Q. Was that general throughout your province?—A. A. Well, as far as I know, yes. I had seen the price lists at both Regina and Moosejaw and Woolsley and they all correspond as nearly as I can tell

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Q. What do you say was the cause of that rise in prices that you know?—A. Well, we would naturally infer that it must be the result of one of two causes. Either there must be a very great enhancement in the cost of producing the article which would be caused by a rise in the price of logs, perhaps, and the cost of production, not, I think in the cost of railway carriage, because the railways tell us there has been no increase in the transportation prices.

By the Chairman:

Q. Pardon me, can you tell us what the rate is at Sintaluta?—A. Well, it is the 50-cent rate.

By Mr. McIntyre (Strathcona):

Q. Is not the demand this year much greater?—A. Yes, of course, I was going on, I did not get through. It cannot be that it is on account of the growing scarcity in the unfinished article, because, generally speaking, I think roughly speaking, the forests of the west are unlimited as far as that goes. And then we know, I cannot say exactly how much more the millmen have to pay for their men more than they did a year ago, how can we, because we are not in the business. But it is natural to infer that the salaries paid to men would not be very much greater, the rise would not be greater proportionately than the rise in the wages of farm hands in the Northwest which is contiguous to the lumber districts.

By Mr. Lancaster:

Q. What would that proportion be?—A. Well, off-hand, I could not say. I know I paid \$30 for men this last year, and I paid \$30 a year before, so that there is practically no difference. That is, for a good man, a first-class man, of course a second rate man would not get quite as much.

By Mr. Fowler:

Q. Do you say there is no difference between this year and last for harvest hands?—A. For harvest hands, yes, but I mean yearly men, we hire them for \$30. That is the regular price for yearly men, that depends on localities, in some localities it is more than that.

Q. Would you think the scarcity of lumber would have nothing to do with the rise in price?—A. The scarcity affect the price?

Q. Yes, would that cause the price to go up?—A. It would have some effect.

Q. You know even a farmer will put up the price of hay when it is scarce.—A. Yes, there is no denying the fact. There is no denying the fact—we want to be fair in our criticism—that the demand for lumber is of growing proportions in the west on account of the great influx of settlers.

By Mr. McIntyre (Strathcona):

Q. Is this season not exceptional in your locality? You have had a great deal of trouble with transportation this winter?—A. Yes.

Q. Would that not make the local supply very much less than ordinarily?—A. Well, it might have some effect. It would possibly have some effect; I could not say as to what extent.

Q. How do you find the local supply or have you been purchasing recently?—A. There seems to be a very good supply in the yards there.

By Mr. Fowler:

Q. Do you buy much lumber in the winter there?—A. There is a good deal of lumber bought in Sintaluta and the surrounding towns now. In the winter time on account of the congested wheat trade we cannot find storage capacity for our wheat, you understand, in the elevators, so it necessitates the farmers going to the extra expense of buying lumber in the town and building little granaries. All around the town there the country is dotted with them. there are hundreds of them. So there is

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quite a sale of lumber even in the months of January and February. They have to build these granaries now in order to rescue their wheat from the snow banks which on melting in the spring would destroy the wheat if proper shelter was not provided. Well, as I say, the increased price of lumber is due to one of two causes: either a great addition to, or advance in, the cost of the production of the article, or else there is a restriction of trade in some way—a combination in other words of the producers—which compels us to pay more for our lumber than we ought to pay, than the legitimate price should be. And we want to tell you, as representatives of the Northwest, that this combine or this condition of affairs—which we naturally infer is the result or outcome of combine—is bearing heavily on the farmers of the Northwest. I have resided in the Northwest for a quarter of a century, I know the condition of affairs there, and lumber is a prime necessity there on account of the extreme character of the climate and on account too of the scarcity of the timber. On these broad prairies you might travel a whole day and not see a stick of timber in your trip. You would not even see a bush as big as your little finger. Now these people must have that commodity—it is necessary for them to have it in order to shelter themselves from the cold weather—or else they will have only the alternative of burrowing in the ground like gophers.

By Mr. McIntyre (Strathcona):

Q. The points we wish you more particularly to dwell on—A. Exactly, I know I am dilating a little.

Q. Your statements are of value to us, but we have here this condition of affairs brought up before. The point is this: You say there are two causes for the increased cost, at least in the minds of the people and these are mere suspicions, one might say, as to which of the two it might be?—A. How can we get at the real facts of the case. We are at the consumer's end, we are not placed in behind the screen so as to understand the internal workings of the lumber trade. We cannot do that, but we know for an actual fact that we are paying \$7 a thousand more this year than we did and we don't see legitimate reasons to warrant that exorbitant price—that is the great advance in the cost.

By Mr. Lancaster:

Q. Are you able to say about what amount a legitimate reason would warrant, because we have got to come to a conclusion here if the increase was twice seven dollars. What do you say would be a fair advance instead of \$7?—A. Of course that is only a matter of conjecture, I cannot say. What the actual increase in the cost of production is I cannot say, but we naturally think in the Northwest that this rapid rise is not the legitimate outcome of a natural consequence—that is the growing scarcity.

Q. Tell us what you base your opinion on. You say you think that. If there is something that causes you to think that let us know?—A. I wish to say this: I do not think that the timber limits are becoming scarce.

Q. You think there is plenty of timber?—A. I do, of course, from what I read of the country, and I read these things.

Q. What about wages?—A. I do not think wages have increased to such an extent that would warrant such a rise in lumber.

Q. Can they get plenty of help to get the timber out as fast as the demand? You say there is a growing demand?—A. Yes there is a growing demand and I think the production is growing as well. Whether it is growing correspondingly I cannot say.

Q. They do supply the demand?—A. They do supply the demand, yes.

Q. But you think at an excessive price?—A. We think so, we have every reason to think so, although we cannot probably prove the matter.

Q. Were you delayed any longer last year than you were two years ago? If you ordered lumber would you get it?—A. There is plenty of lumber in the yards as far as I know and we cannot get the lumber direct from the manufacturers.

By Mr. Fowler:

Q. A reason advanced here has been the growing distance of the lumber from the mill?—A. Yes.

Q. On account of the lumber having been cut out. What do you say to that?—A. It might make some little difference. The logs may have to be hauled from farther back than they were last year.

By Mr. McIntyre (Perth):

Q. It has been stated in evidence that 20 per cent was the gross profit. Have you any reason to doubt that or do you think it is an excessive profit?—A. Is 20 per cent excessive?

Q. As a gross profit?—A. I think the grain dealers—I am not in a position to speak on that—I think they get a good deal more than that.

Q. Would you think 20 per cent gross profit was excessive in the lumber trade?—A. Probably not. They would have to pay out of that the cost of transportation—excuse me I mean the cost of unloading and retailing.

By Mr. Fowler:

Q. And insurance?—A. Yes, exactly.

By Mr. McIntyre (Perth):

Q. If that statement were correct you would not think it excessive?—A. I would not think it would be. Confining themselves to that, it might be a reasonable profit.

By Mr. Sloan:

Q. Does the increase in lumber of \$7 a thousand apply to all grades, outside fir and spruce?—A. We can compare the two lists, we have them here..

Q. It is a general advance in all grades?—A. I should say that was a fair sample of illustration.

Q. What you refer to is rough lumber?—A. Rough lumber.

Q. That is the same kind of lumber that comes in free of duty from the United States?—A. Exactly.

Q. Is there any American lumber coming into your part of the country at the present time?—A. I do not know that there is.

Q. What is the reason of that, do you know?—A. We do not draw very much of our supplies from the United States, in fact we control in the Northwest; we have the largest amount of the timber limits. The Southern States might enter into competition to a certain extent, but not very largely. I do not think that the matter of the duty would affect the lumber trade to any great extent because I do not think there is very much in from there.

Q. Two years ago it was a very serious factor in competition with British Columbia lumber, you know that?—A. Yes.

Q. What is the reason that does not continue seeing that British Columbia lumber has gone up \$7 a thousand?—A. I did not quite catch that.

Q. Some two or three years ago American lumber was a very serious factor in competition with British Columbia lumber?—A. It was alleged to be a serious competitor.

Q. It was a serious competitor, that is generally understood. How is it in view of the fact that British Columbia, you claim, has gone up \$7 a thousand, it is not still a competitor from the fact that this rough lumber can be brought in free of duty?—A. I do not know. As far as we are personally concerned there we have very little knowledge of American lumber coming in. It does not affect our particular locality.

By the Chairman:

Q. You are not in the lumber business?—A. I am not in the lumber business.

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By Mr. Sloan:

Q. It would be a very peculiar circumstance in view of the fact of no American lumber coming in?—A. I did not say there was none coming in; it does not come under my particular notice.

Q. Are there any timber limits in your part of the country?—A. No, we live in the Saskatchewan wheat belt.

By Mr. Fowler:

Q. You made the statement that you thought 20 per cent gross was not an undue profit to the retailer, but you said you believed they got more than that?—A. You asked me if I thought so and I said so.

Q. I am not finding fault with that. If you say you think he gets more than that, tell us your grounds of belief?—A. Of course I have had some dealings with lumbermen, some conversations with them, and I figured out in my own mind that the lumbermen in our vicinity—

Q. When you say lumbermen you mean retailers?—A. Yes, I mean the retailers. From two or three causes which I might enumerate, in my own mind—I cannot prove it, but I have been given to understand—such is the state of affairs that they make in the vicinity of \$10 a thousand on the lumber.

Q. Show us how?—A. In the first place the retailers in many cases have been able to buy below the list price.

Q. Yes?—A. And in some cases I believe that the lower grades of lumber have been substituted for the higher.

Q. There has been a change in the grading?—A. Exactly, and that, I think, would probably amount to somewhere around \$5 in price, and then the amount that they actually charged, the retailers charge as a legitimate profit is somewhere about \$5, too.

Q. Mr. O'Brien told us that he figured out it cost him \$1 for handling the lumber, that is when it came in to the railway yard he figured \$1 as the cost of handling it to his own yard. Would that be a fair charge, would it cost that in your opinion?—A. That is taking it off the cars and putting it in the yard?

Q. Yes.—A. Well, I think that might be reasonable.

Q. You think \$1 would be reasonable for that?—A. Yes, I think it would.

Q. And then he said 75 per cent of sales were to contractors where they give 7 per cent discount, what do you say to that, would that be the case?—A. I do not know, of course I could not say.

Q. You would not know anything about that?—A. No.

Q. You told us you believed they made \$10 per thousand profit in that way, that is by re-arranging the grading, by substituting No. 2 for No. 1?—A. Yes, I believe that.

Q. What evidence have you of that? You say you can not prove it, have you anything except your imagination?—A. Well, there have been hitherto a couple of grades of siding and two grades of boards. I know in my own particular case, when I wanted to build a barn I priced the lumber at one yard and it was miserable stuff, certainly two or three grade, but I was asked first price, the highest price for it. Then I went to the lumber yard in an adjoining town and I got there a much superior lumber at the same price, lumber that I claimed and that the dealer claimed was first grade.

By Mr. Sloan:

Q. Did he feed your horses?—A. No, I fed my own horses, so as a consequence of that I drew my own lumber.

By Mr. Fowler:

Q. That was I presume one case that applied to one dealer in your town? Did you go to any other?—A. Well, there is only one retailer, the other is a contractor.

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Q. I see, you went to the only retailer you had in the town?—A. Yes, I drew my lumber 11 or 12 miles rather than get a poor grade.

By Mr. Sloan:

Q. You said some of the retailers buy lumber below the list price, have you any cases you can cite of your own knowledge?—A. Of course you asked me to give my opinion of certain matters and I have given them, but I cannot prove everything; I believe it to be so of course. But it is this way there is a retailer in the town, you might call this hearsay, or what you like, but I can say that I have it from the lumberman himself.

Q. Who, the wholesaler?—A. No, the retailer. Who told me that formerly they could buy lumber occasionally from the small mills, you see the small manufacturers would sometimes want to get rid of their output and would sell it at less than the list price.

By Mr. Fowler:

Q. Was that some one besides Mr. Becker who has already sworn to that here?—A. Yes, I do not know Mr. Becker.

By Mr. Sloan:

Q. Was that some one in your own particular district?—A. Yes.

Q. You have every reason to believe that is so?—A. Yes, but the dealer said formerly we could go out and buy the output of a small mill at a considerable reduction on the wholesale price, but now, he says, they have the matter cinched up there. American capital has come in and bought up a lot of the large concerns and now they are able to buy up the output of every small mill in the place and give them a profit on their lumber.

By Mr. Fowler:

Q. The big mills do that?—A. Yes, that is what both the contractor in the town and the retailer had no hesitation in saying.

By Mr. Knowles:

Q. You say you do not know the price of American siding?—A. Oh, no, I did not say anything about that.

Q. I would like to ask you, do you know anything about the price of American siding?—A. No, I do not know anything about it, it may be higher or it may be lower.

By Mr. Sloan:

Q. It is natural to infer that they would be higher?—A. Yes, I think we have it slightly less than on the other side.

By Mr. Knowles:

Q. Of course they get more for wheat on the other side, as a matter of fact you know about that, wheat is generally higher on the other side, is it not?—A. Yes, oh yes, of course we take our quotations and we know that Chicago is higher than Winnipeg. Anyone that knows anything about wheat knows that.

By Mr. Lancaster:

Q. In regard to the question of first cost, what is the price of feed and supplies? Does not that enter into the first cost of this lumber; the cost of feeding the men, for instance and the horses, getting the timber out, has there been any increase to any extent in the last year?—A. Yes, probably.

Q. To what extent would you say, to what percentage?—A. I could not say, I think the cost of living has advanced slightly in our country last year, I think it has.

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Q. The average supplies of food for men in the lumber camps?—A. Yes, we must admit that the cost of bacon which is the staple article of food has increased.

By the Chairman:

Q. That would be almost the only thing?—A. Wheat and bread are no higher.

Q. Beef is no higher, certainly—A. No, I don't think the other articles are higher.

By Mr. Lancaster:

Q. What about horsefeed, the price of oats?—A. Yes, of course we do not raise very many oats in our locality.

Q. But the man would have to pay for them to feed his horses in getting out the timber. Are oats dearer or cheaper out there?—A. I do not think he would have to pay anything more than he did, as far as I know.

Q. How about flour, is that dearer?—A. No, wheat is not any dearer, and I would not think flour would be.

Q. How is hay, any dearer?—A. I do not think so.

By the Chairman:

Q. The item you mentioned first is, I think, the only one that has increased—A. Pork is the only item that has gone up I think.

By Mr. Sloan:

Q. You claim that the advance in the lumber prices has been against the farmer?—A. Certainly it has.

Q. Has it depreciated the price of farm lands at all?—A. I do not know about that. In a new country like that the price is steadily rising in consequence of the influx of immigration, but it has this effect, and it is a very serious effect in regarding the development of our country in this way of preventing the public from building, and consequently it must and does retard the development of the country districts by making the price of lumber so high that in some cases where men are poor it is almost prohibitive. I know for a fact that in our town the contractor, Mr. Grass, says he hardly knows of any building that is going on this next year on account of the sudden increase in the cost of lumber.

Q. What is the price of farm lands in your neighborhood?—A. Well, of course, it varies. A farm was sold within a mile and a half of my place the other day for \$50 per acre.

Q. What could you have bought that for two or three years ago?—A. Oh, well, it would not have cost nearly that much of course.

Q. Could you have got it at \$20 per acre?—A. You may have. I think myself it was too high, it is not worth it, I think the man is very foolish to buy it.

Q. Evidently the price of land has not suffered?—A. Oh, no, it has not.

By Mr. Fowler:

Q. Will you speak about prices. Let us take them in order. How about the price of beef as compared with the time previous to the rise?—A. Beef is no dearer; I do not think it is.

Q. Well, pork?—A. Pork is certainly some dearer.

Q. How much, 10 per cent?—A. Yes, I daresay it is.

Q. Would it be 20 per cent?—A. It is 2 or 3 cents probably. I don't deal in the commodity; I just raise enough pork for my own use.

Q. Flour?—A. I do not think it is any dearer.

Q. Potatoes?—A. Potatoes are just the same, I think.

Q. Oats?—A. I do not think they are any dearer as far as I know.

Q. Hay?—Hay you say is?—A. It might be, I don't know.

Q. We will say any year?—A. I do not think it is any dearer as far as I know.

Q. Horses?—A. Yes, horses are dearer.

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Q. What percentage would there be in the case of horses?—A. I could not say, I think they are certainly advancing.

Q. It has been said here that the price would be \$150 a pair, suitable for lumbering purposes?—A. They are dearer than they were.

Q. Dearer than they were?—A. That would not obtain in our district that condition of affairs.

Q. You say the price of horses is not \$150. Take a pair of horses that would cost \$400, how much would you add to the cost?—A. They have not advanced an over lot in the last year.

Q. How much would you say?—A. I could not say definitely, they would advance some.

By the Chairman:

Q. About \$50 a pair?—A. They have not advanced any more than that.

By Mr. Fowler:

Q. How about butter?—A. Butter is just about the same.

Q. And eggs?—A. About the same. Those are the only things that I know of. Pork is the only thing that has advanced.

Q. Pork and horses and hay?—A. No, I did not say hay.

Q. Hay is much higher this winter?—A. Well it might be, but we do not raise hay in our country, so I don't know much about it.

By Mr. Knowles:

Q. You said a moment ago you had gone from one town to another and found a little difference in price. What was the other town you went to?—A. Indian Head.

Q. Are you aware or are you not, that during last summer there was a very radical difference in the price of lumber generally in the two towns?—A. In those towns?

Q. Yes?—A. Yes, we generally consider Indian Head is a better town to deal in.

Q. Was there anything to account for the difference of prices in lumber in the two towns that you are aware of?—A. No, I do not know. We consider that we get better value for our money at Indian Head.

Q. Does the lumberman at Indian Head have to hand out his price list?—A. He hands out his price list.

Q. Was it lower?—A. Just about the same as far as I know. I did not buy any lumber there last summer; I did the summer before.

Q. I am instructed there was a very radical difference between the two towns last summer?—A. I don't know anything about that. I know this: In Sintalufa they have not the facilities for protecting their lumber that they have at Indian Head. You get a better grade of lumber, a better seasoned lumber there.

By the Chairman:

Q. It is better taken care of?—A. It is better taken care of, and there is a better grade for the same money.

By Mr. Knowles:

Q. Are you aware that the cost of the logs delivered in Vancouver has advanced from \$9 to \$15 in two years?—A. No, I am not aware of it at all. I know nothing about that end of it at all.

By Mr. McIntyre (Strathcona):

Q. If you knew that logs had increased \$7 a thousand would it not explain the difficulty to which you are referring?—A. That might explain it certainly.

By Mr. McIntyre (Perth):

Q. Have you expressed the opinion that the lumber dealers have an excessive profit?—A. Yes, I certainly have.

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Q. You are not in a position to verify that yourself. Can you suggest to the committee where it can get definite information in regard to that?—A. All I can speak from is personal experience in the matter.

Q. That would be the extent to which you would go?—A. Exactly.

Q. Can you suggest any other source from which the committee could get information?—A. I do not know. It would require a lumberman you know.

Q. You have heard the question asked some of the witnesses whether there was any other source of profit than the straight 20 per cent?—A. Yes, I heard it.

Q. And the answer was not as you thought?—A. I feel strongly on the matter.

Q. You say to the committee that you have nothing definite except your opinion?—A. I just give you that for what it is worth; I don't pretend to be able to prove it.

By Mr. McIntyre (Strathcona):

Q. Do you know of any disturbance in the lumber export trade? Do you know if the export price has increased in lumber?—A. Yes.

Q. You are aware of that?—A. Do you mean on the Pacific Coast?

Q. Well, the export generally from Canada?—A. No, I have no personal knowledge.

Q. Well, take the Pacific Coast, you draw your supplies from there?—A. Yes.

Q. Do you know whether there has been an increase in the export price?—A. I have been given to understand there was. Of course there was a great demand on account of the volcanic destruction.

Q. You did not take that into consideration?—A. That was one reason that was advanced by the people out there, why lumber was dearer; because they had a better demand for it than ever before.

By Mr. Knowles:

Q. Tell us what is the remedy for the committee?—A. Well, I don't know, that is a very large question, gentlemen. I feel, however, that this matter is one of vital importance not only to Western Canada but to Canada as a whole, and I think you men are in earnest in endeavouring to find out if such a condition of affairs as we suspect does exist, that then you are going to prove it to the bottom and find out. We are looking to you, the west is looking to you as a means of relief. They are stirred up there, they are stirred to the very core over this matter because they feel it is of the greatest importance to them; and they were delighted when they heard that the House of Commons had taken an interest in the matter that they did and had pressed for an investigation. Now they feel that you will sift the matter to the very bottom and find out if such a condition of affairs does exist, and if so they believe that the best minds among you will be devoted to the solution of this great question. Now that is a difficult question. Some have suggested that it might be a remedy to put an embargo on logs so that we would have a surplus, at least to a certain extent—so that the lumbermen, the manufacturers, would have at least enough to supply the needs of our country first.

By Mr. Lancaster:

Q. Would you do that by government control?—A. Yes, another solution might be this: If the Federal Government do not feel disposed to go into the matter of running saw-mills in opposition to the great combine in the west they might at least hand over a portion of the unexploited parts of the limits, not only in the matter of timber limits but also in the matter of coal fields, the natural resources of the country.

By Mr. Lancaster:

Q. Hand over to whom?—A. Hand them over to the Provincial Government and let them carry on the work of manufacturing to such an extent that they would compel the Western Lumber Association to sell at a fair legitimate profit.

By Mr. McIntyre (Strathcona):

Q. Where do you buy your lumber largely?—A. You mean——

Q. The lumber that is supplied to the towns, where does it come from largely?—

A. It comes from the West; from the Coast of British Columbia, from the mountains, and perhaps from the Saskatchewan. There are no doubt vast timber resources in Saskatchewan.

Q. Now, you come here representing the Saskatchewan Grain Grower's Association, have they given you any message to bring to this committee?—A. We have a resolution that was passed, I feel that unfortunately I have left it at the hotel. It was simply a short resolution passed at the convention of the Grain Growers of Saskatchewan, and it was an endorsement of the action taken by the Parliament of Canada in bringing about this investigation.

By Mr. Sloan:

Q. If you find it you can bring it in here?—A. Yes, I will be most happy to lay it before you, I thought I had it with me.

By Mr. McIntyre (Strathcona):

Q. Is that recommendation of yours embodied in it?—A. Oh no, not at all.

Q. I may say we have not any power to act on it?—A. No, but one gentleman asked me my opinion on the question and I gave it.

By the Chairman:

Q. You represent a large association?—A. Yes, one of the largest associations in western Canada.

Q. What is the membership of it?—A. Something over 2,000.

Q. Could not that association put this committee on the track of where we can get some evidence on this matter, that is what we are looking for, we want to have it thoroughly investigated?—A. From what I can learn, as I sit here, I think it has been proven already that such a thing exists.

By Mr. Fowler:

Q. I think the witness misunderstands you. The witness seems to think we are anxious to prove a combine?—A. Not at all.

Q. I judge that he does by his answer. Mr. Partridge I want to straighten your mind on that point, what we want to get at is the fact. We want to see if the manufacturers in the first place are charging an undue price for their product, and we want to see if the retailers are charging too much for handling that as middlemen, whether the consumers have any real grievance in this matter?—A. We expect you as fairminded men to deal with this question fairly and impartially.

Q. We propose to give the manufacturer a fair profit which he should have, not only in his own interest, but in the interest of the Province of British Columbia. He has a right to it. If there is any necessity for a middleman, then he ought to have a decent profit on his investment and we should not unduly press on the consumer.—A. One of our greatest difficulties or hardships we think is that we cannot buy direct from the manufacturer. It has to come through the middleman.

Q. Don't you think we are trying here to prove a combine?—A. Not at all, that is what we want to prove.

By Mr. Lancaster:

Q. Would you, as a matter of fact, want to buy even from the manufacturer, are you not too far away?—A. Not at all. I want to say this, I cannot give my correspondence, it is too far back, but a little experience we had with the Grain Growers' Association in the town of Sinaluta. We conceived the idea of dealing direct with the manufacturer. We wanted to do business on the wholesale plan if we could, to save the cost of having it handled through a middleman. We called the association together and formed an estimate of what lumber we would require for the season's

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building. Then we appointed a committee, I was the secretary-treasurer, to find out whether we could do any business with the western millmen. At that time, that is a number of years ago, that committee did their utmost in the matter to see if we could supply ourselves with lumber direct and we failed to do it.

Q. How many mills did you apply to?—A. To every mill we could get the address of.

Q. What answer did you get?—A. We found in every case, except two, that we could not deal with them; they would not deal with us as consumers.

By Mr. Knowles:

Q. What reason did they give?—A. They simply said in deference to the local associations they did not want to interfere, to supply us. There were only two mills that would supply us, and when we investigated the matter thoroughly we found they were very little good to us because they did not carry full lines. They did not carry the finished article. We could get the rough lumber, dimension, siding, and all that, but not the finished article.

By Mr. Fowler:

Q. Did they refuse to sell you even though they had the lumber to sell?—A. Oh, certainly.

Q. You knew they had the lumber to sell?—A. Of course, we knew that the lumber yards were getting their supply from the same source.

By Mr. Lancaster:

Q. What year was that?—A. About eight years ago.

Q. Cannot you give us anything more recent?

By Mr. Fowler:

Q. Have you made any efforts more recently?—A. No.

By Mr. McIntyre, (Strathcona):

Q. Is there any excuse for the existence of the retail lumberman at all?—A. Oh, I do not say that they should be shut out altogether. I tell you they may have a purpose to serve. For instance, a man may not be able to deal directly with the manufacturer of lumber, that is he could not buy in carload lots, and I think it is a convenience to the public, that is the small consumer, to be able to go to the yard and buy what lumber he wants.

Q. Do you know that the same thing would obtain in buying a suit of clothes, you could not buy it through the manufacturer?—A. No.

Q. Would it not obtain in all supplies you purchase? Is it not true that you cannot get the first price of the manufactured article on anything that you consume?—A. No, certainly, this is the age of combines, there is no getting around that, it is a growing tendency.

By Mr. Sloan:

Q. You state you are against the middleman, can you state the remedy? How would you do away with him?—A. I do not say I would do away with them if they are confined to a fair and reasonable profit. I do not think anyone would object to that, but I think anybody who wants to buy to any extent should be accorded the privilege of buying from the manufacturer if they see fit without going through the middleman.

By the Chairman:

Q. Supposing they charged you 10 per cent more, you would still save 10 per cent?—A. Yes.

By Mr. Sloan:

Q. You handle the grain through middleman?—A. Yes, but there is a movement on foot among the farmers to do business on a wholesale basis and to do away with the grain exchange. That is by pooling the business through an organization called the Grain Growers' Grain company. We propose that as we raise the article, we raise it on a wholesale basis and we do not see why we should not be allowed to sell our product on a wholesale basis.

Q. You will do away with the middlemen?—A. We want to have the privilege of doing away with him and selling direct to the consumer in the old country if we see fit to do so.

Q. You are going to form a combine among the farmers?—A. Exactly, and we claim the rights to buy lumber as cheaply as we can.

Q. At the same time you claim the right to combine and sell wheat in the highest market?—A. Not at all, we simply claim the right to put our produce on the British market, we think we are able to do our own business without the assistance of the middlemen.

Q. You are combining to do away with the middleman?—A. No, we are not combining at all, we have no fight with the middleman, we are simply trying to conduct ourselves to the point that we can sell wheat on a wholesale basis just the same as we raise it.

Q. You say there is going to be an amalgamation of grain growers?—A. Why should we not be allowed to form a company if we see fit to sell our product direct to the consumer?

Q. You are making a combine among the grain growers?—A. You may call it a combine, we call it simply an association. We want to get the best prices for our wheat.

Q. That is what I want to bring out. I want you to be honest with me.—A. Yes, that is all right.

By Mr. Lancaster:

Q. Do you suggest any other remedies than the ones you mentioned—putting an embargo on logs or, it might be, to hand over lands to the Provincial Government?—A. To the Provincial Governments and let them operate a certain amount of these lands, enough at least, to regulate the price of lumber, so that we would not allow any association of millmen to charge exorbitant prices.

Q. Who do you say should fix the price as a matter of political economy?—A. There ought to be some control in the matter.

Q. Well, who should fix the price?—A. That should be fixed by the consumers themselves, as it were. I think the markets of the world claim to fix the price. That ought to be regulated by the law of supply and demand.

Q. Do you suggest any practical way by which this price could be fixed by anybody, who would know enough to fix it properly—the price of lumber in the Northwest or in Ontario for that matter?—A. I think that matter, if it can be shown that a combination does exist and the consumer is charged an exorbitant price—

Q. I am assuming that for a moment?—A. You have the power have you not? Has not the Dominion Parliament the power to impose a penalty upon anyone who is guilty of restriction of trade?

Q. Yes, but I am asking who you would suggest to fix the price. We regulate freight rates by the railway commission, would some such tribunal fix the price of lumber, assuming it ought to be fixed?—A. Let the government tribunal fix the price then.

Q. From time to time?—A. From time to time as a rise or fall would be warranted by the increased cost or less cost of production.

Q. Then you think they would have to investigate every year?—A. Certainly they would have to keep themselves posted in the matter.

Q. That would be expensive?—A. A few manufacturers can easily get together and agree upon a certain price which might be considered by the consumer very ex-

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orbitant and they might enrich themselves unduly at the expense of the country, at the expense of the consumers. We think that is not in the interests of the country.

Q. Then I understand you say, supposing there was a grievance and we thought the price was too high entirely, that we should recommend a commission annually to take evidence?—A. Take your Railway Commission, something similar to the Railway Commission, they are called upon from time to time to investigate certain charges. Well if it was found that the price of lumber was unduly increasing then it would be the province of that—it would be rather the privilege of the people to call upon this committee or whatever you might choose to call it, to investigate the matter and find out what the actual expense of production was.

Q. Having such a commission sittings at the time would be quite expensive?—A. I do not think it would be nearly as expensive as at present.

Q. What is the loss?—A. The loss is by undue increase in price. That is my opinion and that is the opinion of many people west.

By Mr. Schaffner:

Q. Do you remember a few years ago, the C.P.R. went into the business? They said lumber was too high?—A. Yes.

Q. Do you know anything about the result?—A. I don't know what they ever did operate. An order, I believe, has been given down to tear their price list down.

Q. By whom?—A. by the C. P. R. authorities. All I know is this: when I was appointed to come down here before the Commission I was trying to get all the evidence I could, and I went to the stationman and asked him for this price list they had posted up. He said: "We have not got them." I said: "Where are they?" He said: "They are torn down." I asked: "Have you got any of the back lists so that I might get the lowest prices running for perhaps a series of years to show what the actual increase has been?" He said: "No, they are all burned." I said: "How is that? I thought you were authorized to put them up?" He said: "We got orders to take them down and burn them."

Q. In four years do you know whether there has been any change in the price of lumber, in the direction of reduced prices?—A. I don't know that there was, I could not say there was.

By Mr. Knowles:

Q. Do you know there is an embargo on the logs now in British Columbia?—A. In the western country?

Q. In British Columbia, a provincial embargo?—A. I know of its existence, but I have no knowledge of it.

By Mr. Lancaster:

Q. In regard to what Dr. Schaffner was asking you, I did not quite understand you. Was the C. P. R. at that time expecting to deliver lumber at certain prices to the immigrants or the people who would be settled up there?—A. I think what you refer to was a list of the cost of lumber.

Q. They were not undertaking to sell it themselves.—A. Not at all. They simply posted up a list of the prices of lumber to the retailer.

By Mr. Schaffner:

Q. They made a threat, too?—A. Yes, I know, but they never carried it out. This was just the price to the retailer freight on board the cars to his town.

The witness retired.

The committee adjourned.

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MONDAY, March 18, 1907.

The committee met at 11 a.m., Mr. Greenway, chairman, presiding.

The examination of Mr. H. O. Partridge, resumed.

By the Chairman:

Q. Do you wish to add anything to your evidence given on Friday last?—A. I wish to put in a copy of a resolution that was passed at the convention of grain growers.

The CHAIRMAN.—The resolution handed in by the witness is as follows: (Reads)

EXHIBIT No. 23.

‘That this association places on record its approval of the action of the Dominion Government in appointing a committee of the House of Commons to inquire into the alleged lumber combine.’

The WITNESS.—I have nothing further to say unless you want to question me.

By Mr. Knowles:

Q. The resolution was carried unanimously, I suppose?—A. Unanimously.

The witness was discharged.

Mr. FRED W. GREEN, Moosejaw, Saskatchewan, called and sworn.

By Mr. Knowles:

Q. Where do you live, Mr. Green?—A. I live at Moosejaw, Saskatchewan.

Q. What is your business?—A. I am a farmer.

Q. How large a farm have you?—A. An ordinary sized farm, about 2,000 acres, I guess, growing about 800 acres of a crop.

Q. How long have you been in the country?—A. I have been there 24 years.

Q. Give the committee, in your own words and in your own way, any information you have with regard to the question before us, that is to say, the increase in the prices of lumber?—A. Well, I can give a little information, but it is not so much as I would like to give. I have had a little experience in connection with it.

Q. Yes?—A. And of course the chief point is, that we are dissatisfied with the prices we have to pay for lumber, and we think—we farmers think—we pay more than we ought to pay on account of the lumber combine, a combine which we believe to exist for various reasons that came under our notice.

Q. What are the reasons that cause you to come to that conclusion?—A. Well, they are so many. They are like pains in the system; hard to prove, but we know they exist. They are something like the wind which we cannot see, but still we know it is there. I have here some of the price lists which prove to me that there is an association which has agreed upon a certain price. I have lists here taken from the two different yards in Moosejaw and compared with the others there; two price lists

APPENDIX No. 6

taken from Regina yards and compared with others in Regina; and I find they are all of the same printed form and all identically the same.

Q. What date are they?—A. February 20, 1907.

Q. All on the same date?—A. All on the same date.

By the Chairman:

Q. These refer principally to fir?—A. Oh, this is a complete list covering, I suppose, nearly everything they deal in. It is boards, dimension, shiplap, flooring, siding, from the Mountain Mills, and also flooring from the Coast Mills, coast siding, coast ceiling, tar paper, white paper and all kinds of supplies.

Q. Are they identical?—A. Anybody can examine them.

Q. If you will be kind enough there (handing document to witness) is one of the most recent, I think that refers almost entirely to pine, but if you will just see whether it corresponds with your list, and see if they are the same?—A. All those prices on this list of mine are here in that.

Q. That is the Crystal City, Man., list?—A. Well—

By Mr. McIntyre (Strathcona):

Q. Are these prices at Moosejaw?—A. In Moosejaw and Regina, we have also one from Woolsey.

Q. All in the one neighbourhood, are they?—A. All in Saskatchewan, and they are issued—

Q. All on the main line of the C.P.R.?—A. Yes.

By the Chairman:

Q. And they are all alike?—A. Exactly alike.

Q. As to the figures?—A. Yes.

By Mr. Knowles:

Q. Even on the Woolsey one, the figures are the same, are they?—A. Exactly the same, as near as I can see.

Q. How many such price lists have you?—A. Two from Moosejaw—I have four of them here and Mr. Partridge has one.

Q. You have two from Moosejaw?—A. Two.

Q. And from Regina?—A. Two.

Q. And from Woolsey?—A. One.

Q. That makes five lists altogether?—A. We compared these with the others and I went into some other yards and asked for price lists and they said they had only one, and I compared it with these and found they were identically the same.

Q. In what towns?—A. In Moosejaw and Regina.

By Mr. Sloan:

Q. These are the retailers' lists you have?—A. Yes.

By the Chairman:

Q. They are higher than those lists I have just shown you?—A. I asked one yard in Regina, and told him I wanted to buy some lumber, and it was true. I wanted to buy some for a barn, and I asked him if I could not buy this lumber at less price than shown on that list, and he said, 'Not from an association yard,' and I understood from him that the reason was they had agreed on these prices.

Q. That you understood, did he tell you that?—A. Yes, in words to that effect.

Q. Who do you mean by that?—A. The man I was speaking to; he made no secret of telling me that this was the association price list.

Q. By that you mean the Retail Dealers' Association?—A. Yes.

Q. You mean that?—A. Yes.

By Mr. Knowles:

Q. What association did he refer to?—A. The Western Lumber Dealers' Retail Association, I guess.

By Mr. McIntyre (Strathcona):

Q. The Western Lumbermen's Retail Association?—A. Yes, I think that is it, he was a retailer. Now, on these lines I have a newspaper clipping, a report given in the press by W. W. Davidson, president of the association.

By Mr. Knowles:

Q. Do you know the jurisdiction of that body, do you know how large their district is?—A. I do not.

By Mr. McIntyre (Strathcona):

Q. Does this lumber that you buy, or any of it, come from Rat Portage, or is it from the west?—A. I think it is all from the west.

Q. Have you quotations there for the native lumber, so to speak, of Saskatchewan and Alberta?—A. We have none there.

Q. Is it not on that list?—A. No, we are not able to get it now, the demand to the north is very great and they keep it all up there, I think, at least so far as I know

By Mr. Herron:

Q. How do the present prices compare, now, we will say with the prices a year ago in that locality?—A. A year ago—I have here figures showing that lumber has risen in the past twelve years about \$14 per thousand with us. In 1894 I bought lumber at \$22.50 on a year's time; in 1903, I bought at \$26, cash in 30 days; in 1904 I got it at \$1 less, that is for \$25 per thousand. Now, in 1905, I got it under what they call—they have a rate for contractors, that they sell to contractors at less than they do to us fellows. I found out that by using the contractor in some way that they work it, I do not know how they manage it, but the contractor managed to get it through some rate that he had at \$21 per thousand.

Q. What were you paying for the same lumber?—A. They wanted \$27 from me, I got it for \$27. I have the bill here, which speaks for itself. Here is the bill, for I got the price marked on it, it shows the contractor's name, and my own name, which you can see for yourself.

By Mr. McIntyre (Perth):

Q. Is it the same grade of lumber that these prices are quoted for?—A. We never get it that grade.

Q. But you say that what you were charged, \$27 for the contractor got for \$21?—A. That would be the same lot, I expect.

By Mr. Schaffner:

Q. What is the date you got this lumber?—A. The date of the bill was August 19, 1905.

By Mr. McIntyre (Strathcona):

Q. Did you buy from the regular retail dealer?—A. Yes.

Q. He was in the business?—A. Yes.

Q. He had a yard there?—A. And he had yard there.

Q. You bought at the jobber's price through the contractor, did you?—A. You will see the contractor's name is on that bill, he would not sell it to me.

Q. Not at those prices?—A. No.

Q. Are you certain it was \$27 you were asked?—A. Now, I am speaking from memory on that.

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By the Chairman :

Q. But it was a considerable difference, was it not ?—A. Oh, yes, or else there would have been no object in doing that.

Q. Is there any figures you can give us to show that ?—A. I think Mr. Wilkinson has figures of that year.

Q. Have you not a list of prices for that year ?—A. Not that year.

Q. Did you give the contractor anything for getting it for you ?—A. The contractor did the work for me, but it was out in the country.

By Mr. Knowles :

Q. You said that in a certain number of years it had risen \$14 ?—A. Yes.

Q. In how many years ?—A. The last twelve years.

Q. That would be since 1895 ?—A. Yes, I have the bill here of stuff wanted in the autumn of the year for buildings on the farm, right there, it was in 1894 which shows how the price was then.

By the Chairman :

Q. This ought to be taken and put in as an exhibit.

By Mr. Knowles :

Q. Take up the papers again, Mr. Green, please. One at a time.

By the Chairman :

Q. Give us the price-lists, or you may take all the price lists at the same date.—A. This (producing price list), is the price list of the Independent Lumber and Implement Company, Limited, of Moosejaw. This is their price list of February 20, 1907.
Document filed as

EXHIBIT No. 24.

THE INDEPENDENT LUMBER CO., LTD.

PRICE LIST.

Boards—Fir, spruce, cedar or pine—	February 20, 1907.
4 and 6-in.	\$30 00
8 and 10-in.	31 00
12-in.	32 00
$\frac{1}{2}$ -in. (re-sawn).	21 00
Cull boards.	25 00
Dimensions—	
2 x 4, 2 x 6, 2 x 8, 2 x 10-in. up to 16 ft.	31 00
2 x 12-in. up to 16 ft.	32 00
Cull dimensions.	24 00
\$1 per M. additional every 2 ft. over 16 ft.	
\$1 per M. additional every 2 in. over 12 in.	
2-in. common cedar \$2 per M. less than above.	
Timbers—	
3 x 4, to 6 x 6 up to 16 ft.	33 00
Over 6 x 6 to 12 x 12-in.	36 00
\$1 per M. additional every 2 ft. over 16 ft.	
Shiplap—	
4 and 6-in.	30 00
8, 10 and 12.	31 00
Culls.	25 00
Flooring, siding and ceiling—	
Mountain, No. 1.	43 00
No. 2.	38 00
No. 3.	33 00

Finish—

Clear, No. 1 pine or fir.. . . .	63 00
No. 2, fir, spruce or tamarack.. . . .	43 00
No. 1 shelving, D.D.. . . .	38 00
No. 2 shelving, D.D.. . . .	33 00

Lath—

No. 1, cedar or pine.. . . .	6 50
No. 1, fir and mixed.. . . .	5 50
No. 2, all kinds, culls.. . . .	4 50

Flooring, coast—

No. 1, 3-in. E. G. fir.. . . .	53 00
No. 1 and 2, 3-in., 4-in., 6-in. fir.. . . .	50 00
No. 3, flat grain.. . . .	43 00
No. 4, flat grain.. . . .	33 00

Siding, coast—

No. 1 and 2, 1 x 6 fir.. . . .	45 00
No. 3, 1 x 6 fir.. . . .	43 00
No. 4, 1 x 6.. . . .	32 00
No. 1, 6-in. cedar 8 to 16 ft.. . . .	63 00
No. 1, 4-in. and 6-in., 3 to 7 ft.. . . .	48 00
No. 1, ½ x 4 or 6-in., 8 to 16 ft. bevel.. . . .	40 00
No. 1, ½ x 4 or 6-in., 3 to 7 ft., bevel.. . . .	30 00

Ceiling, coast—

No. 1 and 2, 4 or 6-in. fir.. . . .	45 00
No. 3, 4 or 6-in. fir.. . . .	43 00
No. 1 and 2, ½ x 4 or 6-in.. . . .	38 00
No. 3, ½ x 4 or 6-in.. . . .	34 00
No. 1, clear cedar, 6-in. 8 to 12 ft.. . . .	60 00
No. 1, clear cedar, 3 and 4-in., 8 to 16 ft.. . . .	50 00
No. 1, clear cedar, 3, 4 or 6-in., 3 to 7 ft.. . . .	40 00
No. 1, clear cedar, ½ x 3, 4 or 6-in., 8 to 16 ft.. . . .	42 00
No. 1 clear cedar, ½ x 3, 5 or 6-in., 4 to 7 ft.. . . .	37 00

Coast, clear cedar—

No. 1, up to 12-in. wide.. . . .	75 00
No. 1, over 12-in. wide.. . . .	80 00
No. 2.. . . .	65 00

Casing—4-in., 4c.; 5-in., 5c.; 6-in., 6c.

Base—8-in., 7c.; 10-in., 8c.; 12-in., 9c.

Tar paper.. . . .	\$1 00 and \$1 25
White paper.. . . .	0 90 and 1 00

Mouldings—

1c. per inch, or fraction thereof, per lineal foot.

Wainscoting—

Fir or cedar, 1 in.. . . .	36 00
Fir or cedar, ½ inch.. . . .	31 00

Well curbing—

Fir or spruce.. . . .	35 00
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Coast—

Stepping edge grain fir.. . . .	70 00
Stepping flat grain fir.. . . .	60 00

Shingles—

No. 1.. . . .	4 00
No. 2.. . . .	3 25

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Turnings—

4 x 4 corner blocks.	06
5 x 4 corner blocks.	07
4 x 11 base head.	08
5 x 11 base head.	09
4 x 4 turned newels.	1 75
5 x 5 turned newels.	2 00
6 x 6 turned newels.	2 25
5 x 5 porch posts.	2 75
6 x 6 porch posts.	3 25
Stair rail Nos. 1058 and 1060 flat.	20
Stair rail Nos. 1059 and 1065, 3 x 4.	25
Porch rail Nos. 2015, 2052 and 2053.	10
1 $\frac{3}{4}$ x 1 $\frac{3}{4}$ turned balusters.	15
1 $\frac{3}{4}$ x 1 $\frac{3}{4}$ turned spindles.	10
Porch columns, Nos. 101, 102 & 103.	6 00
Sawed balusters.	10
Corner beads.	30
Fence pickets.	05

Windows—

10 x 20, 4 lt.	1 90
12 x 20, 4 lt.	2 00
12 x 24, 4 lt.	2 10
12 x 26, 4 lt.	2 20
12 x 28, 4 lt.	2 30
12 x 30, 4 lt.	2 50
14 x 28, 4 lt.	2 60
14 x 30, 4 lt.	2 70
8 x 10, 8 lt.	1 75
10 x 12, 8 lt.	1 90
5 x 7, 12 lt.	1 15
6 x 8, 12 lt.	1 30
7 x 9, 12 lt.	1 65
8 x 10, 12 lt.	1 90
10 x 12, 12 lt.	2 25
12 x 20, 2 lt.	1 60
12 x 24, 2 lt.	1 70
12 x 26, 2 lt.	1 80
12 x 28, 2 lt.	1 90
12 x 30, 2 lt.	2 00
12 x 32, 2 lt.	2 10
12 x 34, 2 lt.	2 15
12 x 36, 2 lt.	2 30
14 x 20, 2 lt.	1 70
14 x 24, 2 lt.	1 80
14 x 28, 2 lt.	2 00
16 x 20, 2 lt.	1 80
20 x 24, 2 lt.	2 10
26 x 26, 2 lt.	2 20
20 x 28, 2 lt.	2 30
20 x 30, 2 lt.	2 40
22 x 26, 2 lt.	2 30
22 x 28, 2 lt.	2 40
24 x 24, 2 lt.	2 40
24 x 26, 2 lt.	2 50
24 x 28, 2 lt.	2 60

Windows—*Continued.*

24 x 30, 2 lt.	2 70
24 x 32, 2 lt.	2 75
24 x 34, 2 lt.	2 90
26 x 30, 2 lt.	3 00
26 x 32, 2 lt.	3 15
26 x 34, 2 lt.	3 30
28 x 28, 2 lt.	2 90
28 x 30, 2 lt.	3 10
28 x 32, 2 lt.	3 15
28 x 34, 2 lt.	3 40
30 x 30, 2 lt.	3 40
30 x 32, 2 lt.	3 60
2 ft. 6 x 12-in. trans.	75
2 ft. 8 x 12-in. trans.	95
2 ft. 8 in. in trans.	95
2 ft. 10 x 14-in. trans.	1 00
3 ft. 0 x 16-in. trans.	1 15
7 x 9 cellar, 2 lt.	65
8 x 10 cellar, 2 lt.	75
10 x 12, cellar, 2 lt.	85
7 x 9, cellar, 3 lt.	80
8 x 10 cellar, 3 lt.	85
10 x 12 cellar, 3 lt.	95
8 x 8 barn, 4 lt.	1 00
10 x 10, barn, 4 lt.	1 10

For price of storm sash add 15 cents to above prices.

Doors—4 panel—

2 ft. 0 in. x 6 ft. 0 in., 1½-in.	\$2 40
2 ft. 4 in. x 6 ft. 4 in., 1½-in.	2 45
2 ft. 6 in. x 6 ft. 6 in., 1½-in.	2 60
2 ft. 8 in. x 6 ft. 2 in., 1½-in.	2 80
2 ft. 6 in. x 6 ft. 6 in., 1½-in.	2 80
2 ft. 8 in. x 6 ft. 8 in., 1½-in.	2 80
2 ft. 8 in. x 6 ft. 8 in., 1½-in.	2 95
2 ft. 10 in. 6 ft. 10 in., 1½-in.	3 40
3 ft. 0 in. x 7 ft. 0 in., 1½-in.	3 75
2 ft. 6 in. x 6 ft. 6 in., 1¾-in.	4 50
2 ft. 8 in. x 6 ft. 8 in., 1¾-in.	4 80
2 ft. 10 in. x 6 ft. 10 in., 1¾-in.	5 10
3 ft. 0 in. x 7 ft. 0 in., 1¾-in.	5 50

This (producing price list) is the price list of the Beaver Lumber Co., Limited Regina, of February 20, 1907.

Document filed and marked as

EXHIBIT No. 25.

BEAVER LUMBER COMPANY, LIMITED.

PRICE LIST.

February 20, 1907.

Boards—Fir, spruce, cedar or pine—

4 and 6 in.	\$30 00
8 and 10 in.	31 00
12-in.	32 00
½-in (re-sawn).	21 00
Cull boards.	25 00

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Dimensions—2 x 4, 2 x 6, 2 x 8, 2 x 10-in.—

Up to 16 ft.	31 00
2 x 12-in. up to 16 ft.	32 00
Cull dimensions.	24 00
\$1 per M. additional every 2 ft. over 16 ft.	
\$1 per M. additional every 2 in. over 12-in.	
2-in. common cedar, \$2 per M. less than above.	

Timbers—

3 x 4, to 6 x 6 up to 16 ft.	33 00
over 6 x 6 to 12 x 12-in.	36 00
\$1 per M. additional every 2 ft. over 16 ft.	

Shiplap—

4 and 6-in.	30 00
8, 10 and 12-in.	31 00
Culls.	25 00

Flooring, siding and ceiling—

Mountain, No. 1.	43 00
No. 2.	38 00
No. 3.	33 00

Finish—

Clear, No. 1 pine or fir.	63 00
No. 2, fir, spruce or tamarack.	43 00
No. 1, shelving, D.D.	38 00
No. 2, shelving, D.D.	33 00

Lath—

No. 1, cedar or pine.	6 50
No. 1, fir and mixed.	5 50
No. 2, all kinds, culls.	4 50

Flooring, coast—No. 1, 3-in., E.G.

Fir.	53 00
No. 1 and 2, 3-in., 4-in., 6-in., fir.	50 00
No. 1 and 2, flat grain.	45 00
No. 3, flat grain.	43 00
No. 4, flat grain.	33 00

Siding, coast—

No. 1 and 2, 1 x 6, fir.	45 00
No. 3, 1 x 6, fir.	43 00
No. 4, 1 x 6.	32 00
No. 1, 6-in. cedar, 8 to 16 ft.	63 00
No. 1, 4-in. and 6-in., 3 to 7 ft.	48 00
No. 1, $\frac{1}{2}$ x 4 or 6-in., 8 to 16 ft., beval.	40 00
No. 1, $\frac{1}{2}$ x 4 or 6-in., 3 to 7 ft., bevel.	30 00

Ceiling, coast—No. 1 and 2, 4 or 6 in.

Fir.	45 00
No. 3, 4 or 6-in., fir.	43 00
No. 1 and 2, $\frac{5}{8}$ x 4 or 6-in.	38 00
No. 3, $\frac{5}{8}$ x 4 or 6-in.	34 00
No. 1, clear cedar, 6-in., 8 to 12 ft.	60 00
No. 1, clear cedar, 3 and 4 in., 8 to 16 ft.	50 00
No. 1, clear cedar, 3, 4 or 6-in., 3 to 7 ft.	40 00
No. 1, clear cedar, $\frac{5}{8}$ x 3, 4 or 6-in., 8 to 16 ft.	42 00
No. 1, clear cedar, $\frac{5}{8}$ x 3, 5 or 6-in., 4 to 7 ft.	37 00

Coast, clear cedar—	
No. 1, up to 12-in. wide..	75 00
No. 1, over 12-in. wide..	80 00
No. 2..	65 00
Casing—	
4-in. 4c., 5-in. 5c., 6-in. 6c.	
Base—	
8-in. 7c., 10-in. 8c., 12-in. 9c.	
Tar paper—	
\$1 and \$1.25.	
White paper—	
90c. and \$1.	
Mouldings—	
1c. per inch, or fraction thereof, per lineal foot.	
Wainscoting—	
Fir or cedar, 1-in.	\$36 00
Fir or cedar, $\frac{1}{2}$ -inch.	31 00
Well curbing—	
Fir or spruce.	35 00
Coast—	
Stepping edge grain fir.	70 00
Stepping flat grain fir.	60 00
Shingles—	
No. 1.. . . .	4 00
No. 2.. . . .	3 25
Turnings—	
4 x 4 corner blocks.	0 06
5 x 4 corner blocks.	0 07
4 x 11 base head.	0 08
5 x 11 base head.	0 09
4 x 4 turned newels.	1 75
5 x 5 turned newels.	2 00
6 x 6 turned newels.	2 25
5 x 5 porch posts.	2 75
6 x 6 porch posts.	3 25
Stair rail, Nos. 1058 and 1060, flat.	0 20
Stair rail, Nos. 1059 and 1065, 3 x 4.	0 25
Porch rail, Nos. 2015 and 2053.	0 10
1 $\frac{3}{4}$ x 1 $\frac{3}{4}$ turned balusters.	0 15
1 $\frac{3}{4}$ x 1 $\frac{3}{4}$ turned spindles.	0 10
Porch columns, Nos. 101, 102 and 103.	6 00
Sawed balusters	0 10
Corner beads.	0 30
Fence pickets.	0 05
Windows—	
10 x 20, 4 lt.	1 90
12 x 20, 4 lt.	2 00
12 x 24, 4 lt.	2 10
12 x 26, 4 lt.	2 20
18 x 28, 4 lt.	2 30
12 x 30, 4 lt.	2 50
14 x 28, 4 lt.	2 60
14 x 20, 4 lt.	2 70
8 x 10, 8 lt.	1 75
10 x 12, 8 lt.	1 90

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Windows—*Continued.*

5 x 7, 12 lt.	1 15
6 x 8, 12 lt.	1 30
7 x 9, 12 lt.	1 65
8 x 10, 12 lt.	1 90
10 x 12, 12 lt.	2 25
12 x 20, 2 lt.	1 60
18 x 24, 2 lt.	1 70
18 x 26, 2 lt.	1 90
12 x 28, 2 lt.	1 90
12 x 30, 2 lt.	2 00
12 x 32, 2 lt.	2 10
12 x 34, 2 lt.	2 15
13 x 36, 2 lt.	2 30
14 x 20, 2 lt.	1 70
14 x 24, 2 lt.	1 80
14 x 28, 2 lt.	2 00
16 x 20, 2 lt.	1 80
20 x 24, 2 lt.	2 10
26 x 26, 2 lt.	2 20
20 x 28, 2 lt.	2 30
20 x 30, 2 lt.	2 40
22 x 26, 2 lt.	2 30
22 x 28, 2 lt.	2 40
24 x 24, 2 lt.	2 40
24 x 26, 2 lt.	2 50
24 x 26, 2 lt.	2 60
24 x 30, 2 lt.	2 70
24 x 32, 2 lt.	2 75
24 x 34, 2 lt.	2 90
26 x 30, 2 lt.	3 00
26 x 32, 2 lt.	3 15
26 x 34, 2 lt.	3 30
28 x 28, 2 lt.	2 90
28 x 30, 2 lt.	3 10
26 x 32, 2 lt.	3 15
28 x 34, 2 lt.	3 40
30 x 30, 2 lt.	3 40
30 x 32, 2 lt.	3 60
2 ft. 26 x 12-in., trans.	0 95
2 ft. 8 x 12-inch, trans.	0 95
2 ft. 8-inch, in trans.	0 95
2 ft. 10 x 14-inch, trans.	1 00
3 ft. 9 x 16-inch, trans.	1 15
7 x 9 cellar, 2 lt.	0 65
6 x 10 cellar, 2 lt.	0 75
10 x 12 cellar, 2 lt.	0 85
7 x 9 cellar, 3 lt.	0 80
8 x 10 cellar, 3 lt.	0 85
10 x 12 cellar, 3 lt.	0 95
8 x 8 barn, 4 lt.	1 00
10 x 10 barn, 4 lt.	1 10
For prices of storm sash add 15 cents to above prices.	

Doors—4 panel—

2 ft. 0-inch, 6 ft. 0-inch, 1½-inch.	\$ 2 40
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Doors—4 panel—Continued

2 ft. 6-inch, 6 ft. 4-inch, 1½-inch.	2 45
2 ft. 6-inch, 6 ft. 6-inch, 1½-inch.	2 60
2 ft. 8-inch, 6 ft. 8-inch, 1½-inch.	2 80
2 ft. 6-inch, 6 ft. 6-inch, 1¾-inch.	2 80
2 ft. 6-inch, 6 ft. 9-inch, 1¾-inch.	2 95
2 ft. 10-inch, 6 ft. 10-inch, 1¾-inch.	3 40
3 ft. 0-inch, 7 ft. 0-inch, 1¾-inch.	3 75
2 ft. 6-inch, 6 ft. 6-inch, 1¾-inch.	4 50
2 ft. 8-inch, 6 ft. 8-inch, 1¾-inch.	4 80
2 ft. 10-inch, 6 ft. 10-inch, 1¾-inch.	5 10
3 ft. 0-inch, 7 ft. 0-inch, 1¾-inch.	5 50

By Mr. Knowles :

Q. This (Exhibit, No. 24) is not the price list of the Independent Lumber and Implement Company, it is the Independent Lumber Co. They have not the word 'Implement' in their style ?—A. Have they not ? Well, that is what they put on there themselves. This one (producing price list) is that of the Beaver Lumber Company, Limited, of Moosejaw.

By the Chairman :

Q. They are all the same date ?—A. Exactly the same in every shape and form.

Q. And all the same figures ?—A. Yes.

Document filed as

EXHIBIT No. 26.

PRICE LIST.

Boards—Fir, spruce, cedar or pine— February 20, 1907.

4 and 6-in.	\$30 00
8 and 10-in.	31 00
12-in.	32 00
¾-in (re-sawn).	21 00
Cull boards.	25 00

Dimensions—

2 x 4, 2 x 6, 2 x 8, 2 x 10-in. up to 16 ft.	31 00
2 x 12-in. up to 16 ft.	32 00
Cull dimensions.	24 00
\$1 per M. additional every 2 ft over 16 ft.	
\$1 per M. additional every 2 in. over 12 in.	
2-in. common cedar \$2 per M. less than above.	

Timbers—

3 x 4, to 6 x 6 up to 16 ft.	33 00
Over 6 x 6 to 12 x 12-in.	36 00
\$1 per M. additional every 2 feet over 16 ft.	

Shiplap—

4 and 6-in.	30 00
8, 10 and 12.	31 00
Culls.	25 00

Flooring, siding and ceiling—

Mountain, No. 1.	43 00
No. 2.	38 00
No. 3.	33 00

Finish—

Clear, No. 1, pine or fir.	63 00
No. 2, fir, spruce or tamarack.	43 00
No. 1, shelving, D.D.	38 00
No. 2, shelving, D.D.	33 00

APPENDIX No. 6

Lath—

No. 1, cedar or pine.	\$ 6 50
No. 1, fir and mixed.	5 50
No. 2, all kinds, culls.	4 50

Flooring, coast—

No. 1, 3-in. E.G. fir.	53 00
No. 1 and 2, 3-in., 4-in., 6-in., fir.	50 00
No. 1 and 2, flat grain.	45 00
No. 3, flat grain.	43 00
No. 4, flat grain.	33 00

Siding, coast—

No. 1 and 2, 1 x 6 fir.	45 00
No. 3, 1 x 6 fir.	43 00
No. 4, 1 x 6.	32 00
No. 1, 6-in., cedar 8 to 16 ft.	63 00
No. 1, 4-in. and 6-in., 3 to 7 ft.	48 00
No. 1, $\frac{1}{2}$ x 4 or 6-in., 8 to 16 ft., bevel.	40 00
No. 1, $\frac{1}{2}$ x 4 or 6-in., 3 to 7 ft., bevel.	30 00

Ceiling, coast—

No. 1 and 2, 4 or 6-in. fir.	45 00
No. 3, 4 or 6-in. fir.	43 00
No. 1 and 2, $\frac{5}{8}$ x 4 or 6-in.	38 00
No. 3, $\frac{5}{8}$ x 4 or 6-in.	34 00
No. 1, clear cedar, 6-in., 8 to 12 ft.	60 00
No. 1, clear cedar, 3 and 4-in., 8 to 16 ft.	50 00
No. 1, clear cedar, 3, 4 or 6-in., 3 to 7 ft.	40 00
No. 1, clear cedar, $\frac{5}{8}$ x 3, 4 or 6-in., 8 to 16 ft.	42 00
No. 1, clear cedar, $\frac{5}{8}$ x 3, 5 or 6-in., 4 to 7 ft.	37 00

Coast, clear cedar—

No. 1, up to 12 in. wide.	75 00
No. 1, over 12 in. wide.	80 00
No. 2.	65 00

Casing—4-in., 4c.; 5-in., 5c.; 6-in., 6c.

Base—8-in., 7c.; 10-in., 8c.; 12-in., 9c.

Tar paper. \$1 00 and \$1 25

White paper. 0 90 and 1 00

Mouldings—1c. per inch, or fraction thereof, per lineal foot.

Wainscoting—

Fir or cedar, 1-in.	\$36 00
Fir or cedar, $\frac{1}{2}$ -inch.	31 00

Well curbing—Fir or spruce. 35 00

Coast—

Stepping edge grain fir.	\$70 00
Stepping flat grain fir.	60 00

Shingles—

No. 1.	\$ 4 00
No. 2.	3 25

Turnings—

4 x 4 corner blocks.	06
5 x 4 corner blocks.	07
4 x 11 base head.	08
5 x 11 base head.	09
4 x 4 turned newels.	1 75

Turnings—*Continued.*

5 x 5 turned newels.. . . .	2 00
6 x 6 turned newels.. . . .	2 25
5 x 5 porch posts.. . . .	2 75
6 x 6 porch posts.. . . .	3 25
Stair rail Nos. 1058 and 1060, flat.. . . .	20
Stair rail Nos. 1059 and 1065, 3 x 4.. . . .	25
Porch rail Nos. 2015, 2052 and 2053.. . . .	10
1 $\frac{3}{4}$ x 1 $\frac{3}{4}$ turned balusters.. . . .	15
1 $\frac{3}{4}$ x 1 $\frac{3}{4}$ turned spindles.. . . .	10
Porch columns, Nos. 101, 102 and 103.. . . .	6 00
Sawed balusters.. . . .	10
Corner beads.. . . .	30
Fence pickets.. . . .	05

Windows—

10 x 20, 4 lt.. . . .	\$1 90
12 x 20, 4 lt.. . . .	2 00
12 x 24, 4 lt.. . . .	2 10
12 x 26, 4 lt.. . . .	2 20
12 x 28, 4 lt.. . . .	2 30
12 x 30, 4 lt.. . . .	2 50
14 x 28, 4 lt.. . . .	2 60
14 x 30, 4 lt.. . . .	2 70
8 x 10, 8 lt.. . . .	1 75
10 x 12, 8 lt.. . . .	1 90
5 x 7, 12 lt.. . . .	1 15
6 x 8, 12 lt.. . . .	1 30
7 x 9, 12 lt.. . . .	1 65
8 x 10, 12 lt.. . . .	1 90
10 x 12, 12 lt.. . . .	2 25
12 x 20, 2 lt.. . . .	1 60
12 x 24, 2 lt.. . . .	1 70
12 x 26, 2 lt.. . . .	1 80
12 x 28, 2 lt.. . . .	1 90
12 x 30, 2 lt.. . . .	2 00
12 x 32, 2 lt.. . . .	2 10
12 x 34, 2 lt.. . . .	2 15
12 x 36, 2 lt.. . . .	2 30
14 x 20, 2 lt.. . . .	1 70
14 x 24, 2 lt.. . . .	1 80
14 x 28, 2 lt.. . . .	2 00
16 x 20, 2 lt.. . . .	1 80
20 x 24, 2 lt.. . . .	2 10
26 x 26, 2 lt.. . . .	2 20
20 x 28, 2 lt.. . . .	2 30
20 x 30, 2 lt.. . . .	2 40
22 x 26, 2 lt.. . . .	2 30
22 x 28, 2 lt.. . . .	2 40
24 x 24, 2 lt.. . . .	2 40
24 x 26, 2 lt.. . . .	2 50
24 x 28, 2 lt.. . . .	2 60
24 x 30, 2 lt.. . . .	2 70
24 x 32, 2 lt.. . . .	2 75
24 x 34, 2 lt.. . . .	2 90
26 x 30, 2 lt.. . . .	3 00

APPENDIX No. 6

Windows—*Continued.*

26 x 32, 2 lt...	3 15
26 x 34, 2 lt...	3 30
28 x 28, 2 lt...	2 90
28 x 30, 2 lt...	3 10
28 x 32, 2 lt...	3 15
28 x 34, 2 lt...	3 40
30 x 30, 2 lt...	3 40
30 x 32, 2 lt...	3 60
2 ft. 6 x 12-inch, trans...	0 95
2 ft. 8 x 12-inch, trans...	0 95
2 ft. 8 x 14-inch, trans...	0 95
2 ft. 10 x 14-inch, trans...	1 00
3 ft. 10 x 16-inch, trans...	1 15
7 x 9 cellar, 2 lt...	0 65
8 x 10 cellar, 2 lt...	0 75
10 x 12 cellar, 2 lt...	0 85
7 x 9 cellar, 3 lt...	0 80
8 x 10 cellar, 3 lt...	0 85
10 x 12 cellar, 3 lt...	0 95
8 x 8 barn, 4 lt...	1 00
10 x 10 barn, 4 lt...	1 10

For price of storm sash add 15 cents to above prices.

Doors—4 panel—

2 ft. x 6 ft. x 1 $\frac{1}{8}$ -in...	\$2 40
2 ft. 4-in. x 6 ft. 4-in. x 1 $\frac{1}{8}$ -in...	2 45
2 ft. 6-in. x 6 ft. 6-in. x 1 $\frac{1}{8}$ -in...	2 60
2 ft. 8-in. x 6 ft. 8-in. x 1 $\frac{1}{8}$ -in...	2 80
2 ft. 6-in. x 6 ft. 6-in. x 1 $\frac{3}{8}$ -in...	2 80
2 ft. 8-in. x 6 ft. 8-in. x 1 $\frac{3}{8}$ -in...	2 95
2 ft. 10-in. x 6 ft. 10-in. x 1 $\frac{3}{8}$ -in...	3 40
3 ft. x 7 ft. x 1 $\frac{3}{8}$ -in...	3 75
2 ft. 6-in. x 6 ft. 6-in. x 1 $\frac{3}{4}$ -in...	4 50
2 ft. 8-in. x 6 ft. 8-in. x 1 $\frac{3}{4}$ -in...	4 80
2 ft. 10-in. x 6 ft. 10-in. x 1 $\frac{3}{4}$ -in...	5 10
3 ft. x 7 ft. x 1 $\frac{3}{4}$ -in...	5 50

This one is from the Independent Lumber Company, Limited, Regina; there is no date on that, but it was taken from there on the same date as the others, and the figures are written in in it in toto, otherwise they are all identically the same.

Document filed as

EXHIBIT No. 27.

PRICE LIST

Boards—fir, spruce, cedar or pine—

4 and 6 in...	\$30 00
8 and 10 in...	31 00
12-in...	32 00
$\frac{1}{2}$ -in, resawn...	21 00
Cull boards...	25 00

Dimensions—2 x 4, 2 x 6, 2 x 8, 2 x 10 in.—

Up to 16 ft...	31 00
2 x 12 in. up to 16 feet...	32 00
Cull dimensions...	24 00

\$1 per M. additional every 2 ft. over 16 ft.

\$1 per M. additional every 2 in. over 12 in.

2 in. common cedar \$2 per M. less than above.

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Timbers—

3 x 4, to 6 x 6 up to 16 ft.	33 00
Over 6 x 6 to 12 x 12 in.	36 00
\$1 per M. additional every 2 feet over 16 ft.	

Shiplap—

4 and 6 in.	30 00
8, 10 and 12.	31 00
Culls.	25 00

Flooring, siding and ceiling—

Mountain, No. 1.	43 00
Mountain, No. 2.	38 00
Mountain, No. 3.	33 00

Finish—

Clear, No. 1 pine or fir.	63 00
No. 2, fir, spruce or tamarack.	43 00
No. 1 shelving, D.D.	38 00
No. 2 shelving, D.D.	33 00

Lath—

No. 1, cedar or pine.	6 50
No. 1, fir and mixed.	5 50
No. 2, all kinds, culls.	4 50

Flooring, coast—

No. 1, 3 in. E.G. fir.	53 00
Nos. 1 and 2, 3-in., 4-in., fir.	50 00
Nos. 1 and 2, flat grain.	45 00
No. 3, flat grain.	43 00
No. 4, flat grain.	33 00

Siding, coast—

Nos. 1 and 2, 1 x 6 fir.	45 00
No. 3, 1 x 6 fir.	43 00
No. 4, 1 x 6.	32 00
No. 1, 6-in. cedar 8 to 16 feet.	63 00
No. 1, 4 in. and 6 in., 3 to 7 fir.	48 00
No. 1, $\frac{1}{2}$ x 4 or 6 in. 8 to 16 ft. bevel.	40 00
No. 1, $\frac{1}{2}$ x 4 or 6 in. 3 to 7 ft. bevel.	30 00

Ceiling, coast—

Nos. 1 and 2, 4 or 6-in. fir.	45 00
No. 3, 4 or 6 in. fir.	43 00
No. 1 and 2, $\frac{5}{8}$ x 4 or 6 in.	38 00
No. 3, $\frac{5}{8}$ x 4 or 6 in.	34 00
No. 1, clear cedar, 6 in. 8 to 16 ft.	60 00
No. 1, clear cedar, 3 and 4 in. 8 to 16 ft.	50 00
No. 1, Clear cedar, 3, 4, or 6 in., 3 to 7 feet.	40 00
No. 1, clear cedar, $\frac{5}{8}$ x 3, or 6 in., 8 to 16 feet.	42 00
No. 1, clear cedar, $\frac{5}{8}$ x 3, 5 and 6 in. 4 to 7 ft.	37 00

Coast, clear cedar—

No. 1, up to 12 in. wide.	75 00
No. 1, over 12 in. wide.	80 00
No. 2.	65 00

Casing—

4-in. 4c., 5-in. 5c., 6-in. 6c.

Base fir—

8-in. 7c., 10-in. 8c., 12-in. 9c.

Tar paper. \$1 & 1 25

APPENDIX No. 6

White paper.	90c. & 1 00
Comfort felt.	5 00
Mouldings—	
1c. per inch, or fraction thereof, per lineal foot.	
Wainscoting—	
Fir or cedar, 1-inch.	\$36 00
Fir or cedar, $\frac{1}{2}$ -inch.	31 00
Well curbing—	
Fir or spruce.	35 00
Coast—	
Stepping edge grain fir.	70 00
Stepping flag grain fir.	60 00
Clear fir.	
Shingles—	
No. 1.	4 00
No. 2.	3 25
Turnings—	
4 x 4 corner blocks.	\$ 0 06
5 x 4 corner blocks.	0 07
4 x 11 base head.	0 08
5 x 11 base head.	0 09
4 x 4 turned newels.	1 75
5 x 5 turned newels.	2 00
6 x 6 turned newels.	2 25
5 x 5 porch posts.	2 75
6 x 6 porch posts.	3 25
Stair rail, Nos. 1058 and 1060, flat.	0 20
Stair rail, Nos. 1059 and 1065, 3 x 4.	0 25
Porch rail, Nos. 2015, 2052 and 2053.	0 10
$1\frac{3}{4}$ x $1\frac{3}{4}$ turned balusters.	0 15
$1\frac{3}{4}$ x $1\frac{3}{4}$ turned spindles.	0 10
Porch columns, Nos. 101, 102 and 103.	6 00
Sawed balusters.	0 10
Corner beads.	0 30
Fence pickets.	0 05
Windows—	
10 x 20, 4 lt.	\$ 1 90
12 x 12 4 lt.	2 00
12 x 24, 4 lt.	2 10
12 x 26, 4 lt.	2 20
12 x 28, 4 lt.	2 30
12 x 30, 4 lt.	2 50
14 x 28, 4 lt.	2 60
14 x 30, 4 lt.	2 70
8 x 10, 8 lt.	1 75
10 x 12, 8 lt.	1 90
5 x 7, 12 lt.	1 15
6 x 8, 12 lt.	1 30
7 x 9 12 lt.	1 65
8 x 10, 12 lt.	1 90
10 x 12, 12 lt.	2 25
12 x 20, 2 lt.	1 60
12 x 24, 2 lt.	1 70
12 x 26, 2 lt.	1 80

Windows—*Continued.*

12 x 28, 2 lt.	1 90
12 x 30, 2 lt.	2 00
12 x 32, 2 lt.	2 10
12 x 34, 2 lt.	2 15
12 x 36, 2 lt.	2 30
14 x 20, 2 lt.	1 70
14 x 34, 2 lt.	1 80
14 x 28, 2 lt.	2 00
16 x 20, 2 lt.	1 80
20 x 24, 2 lt.	2 10
20 x 26, 2 lt.	2 20
20 x 28, 2 lt.	2 30
20 x 30, 2 lt.	2 40
22 x 26, 2 lt.	2 30
22 x 28, 2 lt.	2 40
24 x 24, 2 lt.	2 40
24 x 26, 2 lt.	2 50
24 x 28, 2 lt.	2 60
24 x 30, 2 lt.	2 70
24 x 32, 2 lt.	2 75
24 x 34, 2 lt.	2 90
26 x 30, 2 lt.	3 00
26 x 32, 2 lt.	3 15
26 x 34, 2 lt.	3 30
28 x 28, 2 lt.	2 90
28 x 30, 2 lt.	3 10
28 x 32, 2 lt.	3 15
28 x 34, 2 lt.	3 40
30 x 30, 2 lt.	3 40
30 x 32, 2 lt.	3 60
2 ft. 6 x 12-inch, trans.	0 95
2 ft. 8 x 12-inch, trans.	0 95
2 ft. 8 x 14-inch, trans.	0 95
2 ft. 10 x 14-inch, trans.	1 00
3 ft. 10 x 16-inch, trans.	1 15
7 x 9 cellar, 2 lt.	0 65
8 x 10 cellar, 2 lt.	0 75
10 x 12 cellar, 2 lt.	0 85
7 x 9 cellar, 3 lt.	0 80
8 x 10 cellar, 3 lt.	0 85
10 x 12 cellar, 3 lt.	0 95
8 x 8 barn, 4 lt.	1 00
10 x 10 barn, 4 lt.	1 10

For price of storm sash add 15 cents to above*prices.

Doors—4 panel—

2 ft. x 6 ft. x 1½ in.	\$2 40
2 ft. 4 in. x 6 ft. 4-in. x 1½-in.	2 45
2 ft. 6-in. x 6 ft. 6-in. x 1½-in.	2 60
2 ft. 8-in. x 6 ft. 8-in. x 1½-in.	2 80
2 ft. 6-in. x 6 ft. 6-in. x 1¾-in.	2 80
2 ft. 8-in. x 6 ft. 8-in. x 1¾-in.	2 95
2 ft. 10-in. x 6 ft. 10-in. x 1¾-in.	3 40
3 ft. x 7 ft. x 1¾-in.	3 75
2 ft. 6-in. x 6 ft. 6-in. x 1¾-in. .	4 50

APPENDIX No. 6

Doors—4 panel—*Continued.*

2 ft. 8-in. x 6 ft. 8-in. x 1 $\frac{3}{4}$ -in.	4 80
2 ft. 10in. x 6 ft. 10-in. x 1 $\frac{3}{4}$ -in.	5 10
3 ft. x 7 ft. x 1 $\frac{3}{4}$ -in.	5 50

THE INDEPENDENT LUMBER CO., LIMITED.

C. C. STEWART,

Agent.

REGINA, SASK.

By the Chairman:

Q. These are price lists, if you will now give us that account?—A. Very well. This account is one of Woodley & Sharpe.

Q. What is the date?—A. August, 1905.

Q. Where are they from?—A. They are doing business in Moose Jaw.

Q. In Moosejaw?—A. Yes.

Account filed as

EXHIBIT No. 28.

MOOSE JAW, ASSA., August, 1905.

Mr. Herb Elson (a/c F. W. Green)

In account with WOODLEY & SHARPE,

Dealers in

Lumber of all Kinds, Sash, Doors and Builders' Material.

Date.	Articles.	Folio.	Debit Amount.	Total.
			\$ cts.	\$ cts.
Aug. 18..	12 pc. 2 x 10 x 18, 360; 1 pc. 6 x 6 x 22, 66; 13 pc. 6 x 6 x 20, 780; 10 pc. 4 x 6 x 20, 400; 3 pc. 4 x 6 x 18, 108; 4 pc. 6 x 6 x 12, 144; 2 pc. 6 x 6 x 14, 84; 3 bunch shingles; 45 pc. 2 x 6 x 20, 900; 12 pc. 2x6x16, 192; 8 pc. 2 x 6 x 18, 144; 19 pc. 2 x 8 x 22, 557; 19 pc. 2 x 8 x 16, 192.	J 733	86 95	
" 24..	18 pc. 2 x 4 x 14, 168; 5 pc. 2 x 6 x 20, 100; 15 pc. 2x12x14, 420; 66 pc. 1 x 4 x 14 V.J., 308; 65 bunch shingles; 9 sash 8 x 10 x 3, 2 sash 12 x 12 x 4.	J 985	82 85	
" 28..	1 M. Shingles	J 1092	3 00	172 80
" 19..	50 pc. 2 x 4 x 14, 467; 30 pc. 2 x 4 x 16, 320; 32 pc. 2 x 4 x 18, 384; 45 pc. 1 x 10 x 14, 525, com. 2; 24 pc. 1 x 12 x 14, 336, com. 2; 2,500 ft. 6 in. sid. No.2; 74 pc. 1 x 10 x 16 bds., 987; 65 pc. 1 x 12 x 16 bds. 1040. 202 pc. 1 x 8 x 16 ship lap 2155	799		207 99
				380 79

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MOOSE JAW, ASSA., November 5, 1904.

Mr. FREDERICK GREEN

In account with H. McDUGALL
Dealer in
Lumber and Building Material.

12 per cent added to all accounts not paid when rendered.

1894.			
	By balance.. . . .	\$447	32
Sept. 11	76 ft. beaded casing omitted.. . . .	2	64
			<hr/>
		\$449	96
Oct. 15	By lumber ret'd.. . . .	\$ 1	32
" 15	By cash J. Bunnell.. . . .	11	00
			<hr/>
		12	32
			<hr/>
		\$437	64
Dec. 1	By note at nine months.. . . .	437	64
			<hr/>

Settled as above.
H. McDUGALL,

I have other bills here on dates in between these, showing the advance in prices, the difference in price. Then at the bottom it shows how the settlement was made, which makes a considerable difference in the price of the lumber, if you will notice it.

By Mr. Knowles:

Q. Have you one of the Pioneer Lumber and Implement Company?—A. I have one here of that company—now that bill that I gave you that I said was the Pioneer and Implement Company, it is theirs, notwithstanding what you say.

Q. You did not say 'Pioneer,' you said 'Independent,' and you have 'Independent' written on it, and I said if it is the Independent it is not the Pioneer. You have either to cut one out or the other?—A. Is there 'Independent' written on it?

Q. Yes. If you say it is 'Pioneer,' that is a different thing altogether, but you did not say 'Pioneer,' you said 'Independent.' In which office did you get it, or do you recollect?—A. From the head office.

Q. Which one, Davidson's office?—A. Oh, no, they wrote that on themselves, they must have made that mistake. Because I asked them for their list. There is a company in Moosejaw called the Independent Lumber Company; that would likely come from their office. I got one exactly like it from the Pioneer Lumber and Implement Company. It seems I have not got it here, but I got it just the same.

By Mr. Knowles:

Q. And you compared it?—A. I compared it with this same printed form exactly.

Q. Are you ready to swear their prices were the same as all the others, the Beaver Company?—A. Just the same as the Beaver Lumber Company.

By Mr. Sloan:

Q. The Beaver Lumber Company price list is there?—A. Yes. Here is a bill which shows what I paid in 1906, in the fall, by the load, to the Pioneer Lumber and Implement Company. That is \$27 a thousand. You will see the price went up. From December 1, 1906, to that printed list of February, 1907, there is a rise in lumber of \$3 a thousand.

Q. What are the respective figures?—A. It is \$27 on my bill of December, 1906, and \$31 on the printed list of February, 1907.

Q. That is \$4?—A. That is what the price is on this list.

APPENDIX No. 6

EXHIBIT No. 29.

Office : High Street W.
Yard : River Street W.

Account
Number 33.

MOOSEJAW, SASK., Nov. 28, 1906.

M....Fred. W. Green.....

In account with

PIONEER LUMBER AND IMPLEMENT COMPANY, LIMITED,

Dealers in

Lumber of all Kinds, Implements, Coal, Lime, Cement, Sash, Doors and Builders.
Supplies.

Date.	Articles.	Folio.	Credit Amount.	Debit Amount.	Total.
			\$ cts.	\$ cts.	\$ cts.
	135 pcs. 1 x 8 x 6, 1440.	951	.....	41 76	.....

MOOSE JAW, SASK., Dec. 1st, 1906.

M.....Fred. W. Green

PIONEER LUMBER AND IMPLEMENT COMPANY, LIMITED,

Dealers in

Lumber of all kinds, Implements, Coal, Lime, Cement, Sash, Doors and
Builders' Supplies.

Date.	Articles.	Folio.	Credit Amount.	Debit Amount.	Total
			\$ cts.	\$ cts.	\$ cts.
Oct.	75 pcs. 2x6x16—1,200.....	6	.....	33 60	
"	15 " 1x10x16 com.....	6	.....	13 45	
"	30 " 1x8x14 shp.....	6	.....	
"	2 sash 10x12x2.....	6	.....	
" 6....	5 pcs. 1x8x16 com— 53.....	122	.....	2 00	
"	20 " 1x6x16 " 160.....		.....	
"	13 " 1x10x16 " 130.....		.....	
"	20 " 1x4x16 " 213.....		.....	
"	10 " 2x6x16 " 160.....		.....	
"	15 " 2x10x16 " 400.....		.....	
"	13 " 1x10x12 " 130.....		.....	34 94	
"	2 sash 10x12x2.....		.....	1 60	
"	2 " 10x12x4.....		.....	1 90	
" 11....	6 pcs. 2x6x16—96.....	216	.....	
"	40 " 1x8x16—426.....	216	.....	15 15	
"	30 bu. shingles.....	216	.....	28 50	
				131 14	
	To acct. rend.....			41 76	172 90

By Mr. Knowles:

Q. From December to February, that would be an increase of \$4?—A. Yes. There is just this about it, though; December is the date the bill was rendered. The lumber was got—it might be possibly a month or so before that.

Q. In October or November?—A. The latter part of September or October.

Q. All last fall the lumber was bought for \$27, that in February was quoted at \$31?—A. Yes.

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Q. Not more than 5 months any way?—A. That is what I understand from that bill.

Q. The fall purchase was made under ordinary circumstances?—A. I just sent my teams in after it.

Q. That shows the increase only very recently. Can you give us any figures regarding increase within the last 3 or 4 years?—A. Here is one bill of August 31, 1904.

Q. Go a little further back if you have the price lists, please?—A. I have one here for 1903.

Q. Let us have that?—A. This shows the price of \$26 a thousand. This was got from E. Simpson & Co.

EXHIBIT 30.

E. SIMPSON & Co.,

Wholesale and Retail Dealers in

Lumber, Hardware, Implements, Wood, Coal and Feed.

Sold to....F. Green.

MOOSEJAW, ASSA., Dec. 31, 1906.

Dec. 19.....	12 pcs. 1x12x16—192 ft.	6 pcs. 2x4x16—64 ft.	256 ft. at \$26.....	168 15	6 65
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MOOSE JAW, ASSA., October 19, 1903.

M.....Judd Battell.

Bought of

E. SIMPSON, & Co.,

Dealers in

Hardware, Lumber, Lime, Wood, Coal and Implements,
Planing and Grist Mill.

Terms Cash, or interest at 1 per cent per month from date until paid.

Got by.....	
For.....	
2 doz. pickets, 2 x 2—12.....	\$ 0 72
1 doz. pickets, 2 x 2—2.....	0 48
2 doz. pickets pattern.....	0 72
	\$ 1 92

J. Battell.

E. SIMPSON & Co.,

Wholesale and Retail Dealers in

Lumber, Hardware, Implements, Wood, Coal and Feed.

Sold to..Agricultural Assn.

MOOSEJAW, ASSA., Oct. 31, 1903.

Oct. 20.....	25 lawn posts, \$5.00 ; 10 split posts, 7, \$1.60.....	129 67	6 60
" 20.....	10 pcs. 2x6x12, 120, \$16.41.....	129 67	3 12
" 20.....	76 pcs. 1x8x12, T. L. 608 ft. at \$27. 3 pcs. 2x4x12, \$24.63.....	128 83	17 04
" 20.....	3 pcs. 1x6x6, 9 ft. 13 pcs. 1x6x8, 52 feet. 32 pcs. 1x4x8, \$8.86.....		
	50 pcs. 1x6x8, 200 ft. 347 feet at \$26	128 84	9 02
	10 lbs. 2½ nails.....	128 84	0 50
			36 26
	By lumber ret.....		16 19
			20 07
	W. J. Battell.....		1 92
			21 99

APPENDIX No. 6

Q. It is the same quality that you are speaking of all the time?—A. It shows what it is for on the bill.

Q. We want to understand if it is the same quality?—A. I am trying to keep on the same class of lumber. Am speaking of the dimension stuff.

By the Chairman :

Q. What we call common lumber?—A. Yes.

By Mr. Knowles :

Q. That would only make \$1 increase in four years, from 1903 to 1906. Would that be correct?—A. That is what this bill shows. That is the best thing I have to go by. It is black and white for it.

By Mr. McIntyre (Strathcona) :

Q. You bought it through an agent, through a contractor?—A. Right from the yard.

By Mr. Knowles :

Q. What have you for 1904?—A. In 1904 I have it from the same company for \$1 a thousand less.

By Mr. McIntyre (Strathcona):

Q. That would be \$25?—A. Yes.

EXHIBIT No. 31.

E. SIMPSON & Co.,

Wholesale and Retail Dealers in

Lumber, Hardware, Implements, Wood, Coal and Wood.

MOOSEJAW, ASSA., Apr. 30, 1904.

Apr. 23—12 pcs. 1 x 6—14, 84 ft., 6 pcs. 2 x 4—14, 56 ft..	\$32 77
1 pc. 2 x 4—16, 11, 151 ft. at 25.....	\$ 3 48
Amt. of acct. rend.....	8 60
	<hr/>
	\$12 38

Q. On the same terms?—A. It must be paid for in 10 days.

By Mr. McIntyre (Perth):

Q. Have you compared the same qualities, sizes, and lengths, in order that we may not be misled?—A. Well the same—as far as I can remember—the same spread between the differences in lengths that they make now did not exist 3 or 4 years ago. They did not make the same spread in lengths some years ago as they do now.

By the Chairman :

Q. That is true of British Columbia lumber?—A. I don't remember having to pay so much for different lengths unless it went away beyond very long pieces, 15 or 20 feet or something like that.

By Mr. Knowles :

Q. Give the figures then for 1904, you understand it is for the same article?—A. Yes, \$25.

Q. Whereas in 1903 it was \$26?—A. Yes.

Q. You had better look at the 1903 bill and make sure it is the same article?

Mr. SLOAN.—Do not make it \$27 this time?—A. I notice the figures are changed on this bill. Well, this is for common boards any way, in 1903. It is for 2 by 4's, scantling 14 feet long. This is August 31, 1904.

EXHIBIT No. 32.

E. SIMPSON & Co.,

Wholesale and Retail Dealers in
Lumber, Hardware, Implements, Wood, Coal and Feed.

MOOSE JAW, ASSA., August 31, 1904.

Sold to.....Fred. Green			
Aug. 13....4 pcs. 2 x 4-10, 28.73, 14 pcs. 1 x 12 x 12, 168, \$4.20....\$79 89			\$4 93
16....2½ x 2-ply packing.....	80 53		1 35
June 21....Asbes. packing.....	56 51		30
			<hr/>
			\$6 58
			<hr/>

By Mr. McIntyre (Strathcona):

Q. Practically the same kind of lumber?—A. Practically the same kind of stuff, but it would be cheaper.

Q. The same quality of stuff?—A. Yes.

By Mr. Knowles:

Q. The price dropped in 1904?—A. The price dropped in 1904.

Q. What is your next memorandum?—A. This one is the oldest one of all, the 1894 bill.

By the Chairman:

Q. What is the price for the same class of lumber in that bill?—A. The price charged me was \$22.50 for the same class, but the conditions were altogether different. This man knew that I could not pay for the lumber at the time and did not know when I could. It was settled by note, but the lumber could have been bought for cash for \$3 or \$4 a thousand less.

By Mr. Knowles:

Q. What year was that?—A. In 1894.

By Mr. Sloan:

Q. What is the price of that?—A. It costs double to build the same house any-way.

Q. What is the price in that bill of 1894?—A. \$22.50 is what I paid for it.

By Mr. McIntyre (Strathcona):

Q. When?—A. In 1894.

Q. For the same kind of stuff from the same man?—A. Well, one of those men now——

Q. It is practically the same firm?—A. He used to be a laborer in the yard; now he owns it.

By the Chairman:

Q. You bought that under entirely different conditions?—A. Entirely different conditions. The conditions are on the bill. It shows just how it was bought.

By Mr. Sloan:

Q. What are the different conditions?—A. It was bought on a year's time.

Q. What interest did you have to pay on it?—A. Well, I just cannot remember that, but it is likely it will tell on the last sheet.

Q. You paid interest?—A. It says somewhere that it was settled by note. It is altogether likely it would be a high rate of interest.

Mr. KNOWLES.—That does not make much difference.

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Q. If the interest is 8 or 10 per cent that money is going to make up?—A. Yes, I know, but we were not anxious to do that kind of thing even then.

Q. Would it be over 10 per cent?—A. It is quite likely it would be 1 per cent per month, although I don't remember exactly. I do not think any farmer would get any money for less than that in those days, and some would be paying 2 per cent a month.

By the Chairman:

Q. What else have you there, Mr. Green?—A. Now I have here—I asked those gentlemen for their wholesale price. Of course they thought that was out of place. They told me to go to the men who sold the lumber for those prices—that they could not give them. So I asked them to give me a list of cars showing the comparative values of the total cost and the freight; that is to give the list of cars,—what they cost laid down, and what the freight would be on them.

Q. Who did you get this information from?—A. From the Pioneer Lumber and Implement Company.

By the Chairman:

Q. That is valuable information; we want to know the reason later on?—A. I want to point out one or two things on this line which appear to me quite important. In conversation with them they told me that they were willing to give all the information that the investigation would wish, that it was the manufacturers who were to blame, if there was any blame, and not the dealers. That is how I came to ask for these figures. They said I could not find out anything by that, but I told them never to mind, just to give me the figures for as long time as they could give the figures.

By Mr. Knowles:

Q. What date was this conversation that you speak of?—A. That they gave me this information?

Q. Was it just recently?—A. Oh, yes, just before I left.

By Mr. Schaffner:

Q. After you received your notice or summons?—A. Yes.

By the Chairman:

Q. You were looking for information to give the committee?—A. Yes.

By Mr. Knowles:

Q. Who was it you had this conversation with?—A. Mr. Grubb and his book-keeper.

Q. What are his initials?—A. Frank.

Q. He is a director of the Pioneer Company?—A. Yes, and his other partner is a director of the Lumber Dealers' Association. Now, I find I have here a list of sixteen cars, and the total cost of these cars was \$9,144.59, if I have not made a mistake in the figuring.

By the Chairman:

Q. That is including the freight?—A. Yes, that is including the freight, and out of that they paid \$2,386.36 in freight.

Q. Will you repeat that, please?—A. \$2,386.36 they paid in freight. Now, in some cases this payment for freight is more than the cost of the lumber.

Q. That would be all British Columbia fir?—A. I do not know that.

Q. You have not got the freight rate, have you?—A. No, I have not. I do not know where these cars came from.

By Mr. Sloan:

Q. You do not know whether it is British Columbia lumber that you are talking about?—A. No; in speaking to them about profits they said that they should have 30 per cent as a just profit.

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Q. Who said that?—A. Mr. Grubb.

Mr. McIntyre (Strathcona):

Q. Do you mean to say they said they should have 30 per cent over the gross cost?—A. Yes, I asked them that particularly.

By Mr. Knowles:

Q. Do you know that is the freight rate positively, that those are the freight rates, or is it Mr. Grubb's statement for that?—A. Those are the figures he gave me from his own books.

By Mr. Sloan:

Q. You do not know where the freight is from or anything else?—A. No. Now, I find that taking the average of those cars that would make for them, assuming—he told me also that 20 per cent was more likely what they did get, but they should get 30 per cent. That is what he said. I find that this lumber, the freights on it, represented about 30 per cent of the original cost, and I just want to show how this bears on the consumer, on myself, the purchaser. Mark you, I do not want the lumber dealers; I want to buy my lumber direct from the dealer in carload lots——

By Mr. Knowles:

Q. From the manufacturer, you mean?—A. From the manufacturer, yes. If I have to use this man, the retail lumber dealer, it forces me to pay 30 per cent on this rate, when I could get it for 8 per cent interest, which is altogether a different thing. Now, in this particular case the interest on this \$2,386.36, assuming this was the amount they paid, would be \$7.95, that is at 8 per cent interest.

Q. For how long?—A. One month, 30 days.

Q. On this sum of money, 8 per cent?—A. Yes.

Q. How much a month?—A. Eight per cent.

Q. How many dollars per month?

By the Chairman:

Q. On the whole amount?—A. On \$2,386.

By Mr. Knowles:

Q. How many dollars did you make it per month?—A. The interest for one month, I make it \$7.95.

Q. Yes, that would be \$95 a year—no, it is a great deal more than that?—A. Well, how much is it?

Q. It is over \$100?—A. Over \$100.

Q. It is twice that, I think?—A. Perhaps you will find it is not so far off when you get done with it.

Q. This is just about one half, it would be about \$16 per month?—A. \$16?

Q. Yes.—A. Well, the principle involved is the same, and you will find, or at least, I arrived at the conclusion that 30 per cent on that sum is about \$716. That will make me instead of paying \$16, which you say the interest would be for one month, they make me pay \$716.

By Mr. Sloan:

Q. Will you make that a little clearer?—A. The interest on the money that I would pay in freight for one month, Mr. Knowles says is about \$16. Thirty per cent, which is the average relation of this freight to the total cost you see would be \$716.

Q. Where do you get 30 per cent, where does that come in?—A. Thirty per cent on the \$2,386 which is paid for freight; I take it if they want to make a profit of 30 per cent on the cost of this lumber they put in the freight.

Q. Well, that has not been shown that they make it?—A. Well, they tell me they

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want to make 30 per cent, but that they are only making 20 per cent; the relation of this freight to the total cost is 30 per cent.

Q. That is they want to make it 30 per cent?—A. It is 30 per cent. The relation of this freight to the total cost of the 16 cars is 30 per cent—of the total cost.

Q. That is the cost of the freight on the lumber is 30 per cent of the total cost of the lumber?—A. About; taking their figures for the freight it amounts to that.

By Mr. McIntyre (Perth):

Q. Have you completed your figures, or are there more yet?—A. I have got other points that I want to make on this matter.

Q. Why do you charge 16 cars?—A. That is the list he gave me. He said he could have given me more, but he asked if that would do, and I said 'Yes.'

By the Chairman:

Q. Was that a month's receipts?—A. I asked him if that was the receipts for a month, and which month. He said it was about a month. It was the last lot of cars they had received, which would be about a month. That is what I understood him to say, but they were not very anxious to give me the information.

By Mr. McIntyre (Perth):

Q. Would that be lumber that came into their yards?—A. Oh, I think so, all in their yards.

Q. It would be lumber handled off the cars into their yards and sold out again?—A. I think so.

By Mr. Knowles:

Q. The point you make is that if you were permitted to buy direct from the manufacturer you would simply go with your teams to the cars?—A. I would have my car. I would be able to go and take it out of the car and save all this.

Q. Exactly. That is what you mean?—A. Yes.

Q. And even taking 20 per cent off the freight, it would be \$477 instead of \$16?—A. Yes.

By Mr. Schaffner:

Q. The farmers want to buy direct from the manufacturer rather than the dealer?—A. Yes.

Q. Does the farmer do that when he purchases any other commodity?—A. Yes, in coal. No, he cannot get to that in the case of coal, because he has to pay tribute in the same way.

Q. We want to be fair and deal with any other things?—A. We will deal with other things in the same way as this before we get through.

Q. What other articles do you buy straight from the manufacturers?—A. I really don't know of very much; I don't know that I could name anything. We try to. We try to buy barbed wire, we try to buy coal oil, we try to buy binding twine, we try to buy our flour and we do in some cases. Three or four of us come together and buy car loads of these materials and it saves us an enormous amount of money.

Q. You are able to buy from the manufacturers?—A. We are in some cases. I think it comes direct, but there may be two or three middlemen that I don't know anything about.

By Mr. Knowles:

Q. There is no local man?—A. There is no local man, we buy the articles at some point away off.

Q. It comes from some wholesale or distributing point?—A. Yes. We buy our binding twine in that way. We buy from a company in Brantford.

Q. It is bought from a wholesale distributor in the case of binder twine and barbed wire?—A. Yes.

By Mr. McIntyre (Strathcona):

Q. Would you be in favour of doing away with the local retailer altogether?—A. No.

Q. You would not?—A. No.

By Mr. Knowles:

Q. What would you be in favour of, what is your suggestion? As far as you know the mind of the consumer, what would it be?—A. Let us have freedom, take off the yoke.

Q. Give us the specific matter you refer to?—A. Well will you let me carry this little further until I show you the iniquity of the thing, how it bears on me.

Q. Go ahead?—A. This is not all by any means. These men when they get this lumber into their yards, pick it over. In taking it out of the car, they take the best boards, the best 2 by 6's, and the best planks out and utilize it for other purposes, and charge \$80 and \$90 a thousand for it.

By Mr. Schaffner:

Q. Do you know that?—A. Of course I know that. I know what the practice is, everybody knows it.

By Mr. McIntyre (Perth):

Q. Did you hear the evidence of other gentlemen who were heard before you on that very point here, before you?—A. No.

Q. Did you hear the evidence of any other witness on that point with regard to the selecting and grading of lumber?—A. I have heard the evidence, yes, but I don't remember that you asked anyone else that question.

By the Chairman:

Q. That does not matter?—A. I am not going by what others think, anyway.

By Mr. McIntyre (Strathcona):

Q. Did you ever see this thing done?—A. I have a cousin that is a contractor and he tells me they do that right along.

By Mr. Sloan:

Q. Who does this, the retail lumber dealers?—A. In fact I have seen them doing it and I know they do because they told me from their own mouths. E. Simpson & Co., have a planing mill for making doors and sashes, and they invariably take out the best lumber for all purposes—they make no bones about it—and sell the farmers the balance.

By Mr. Schaffner:

Q. Some of it is of rotten grade?—A. Yes.

By Mr. McIntyre (Strathcona):

Q. Do they keep a scaler there all the time for that purpose?—A. I cannot say that. I have not stayed in the lumber all the time to watch what they do.

Q. No, but do you know of your own knowledge, that a man is kept for that purpose?—A. No, not all the time; I don't know.

Q. It would require an expert man would it not?—A. Not a very expert man to pick out clear boards, I can pick them out myself. Let me pick the pile over and I will pick them out, and I am a farmer.

By Mr. Sloan:

Q. What is this high-priced lumber sold for?—A. The contractors in the towns, I suppose, use it in the stairs of buildings sometimes and in different places in the

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buildings where clear stuff, a better quality of stuff, is required, and they can work it to advantage.

Q. Has it been handled or manufactured to get an additional price or is it just as it comes off the cars?—A. It has been used in manufacturing at some points.

Q. The lumber itself?—A. I think so.

Q. It would certainly be worth more money then in that case?—A. Certainly, clear stuff is worth more than knotty stuff at any time. My point is this: my lumber bought at a dealer's yard is not so good as it would be bought direct from the manufacturer.

Q. That is the feeling of the dealer?—A. That is the feeling of the dealer.

By Mr. Knowles :

Q. That is not necessarily part of the retail lumber dealer's system; that would be individual dishonesty or disception?—A. Well, the system, Mr. Knowles—that association enables them to carry that out to a far greater extent than they could do if it were not for that organization.

Q. Is there any way you question their grade or have you simply to take their grading?—A. We have simply to take what they offer.

Q. There is no appeal?—A. No, we have got either to take it or leave it; we cannot pick or choose.

By Mr. Herron :

Q. Did you go to any other yard and find any different conditions, or are they all alike in that respect?—A. No, they are not all alike, they are not all just exactly the same, because they have not the same facilities. Some yards have a planing mill and it is more dangerous there than it is in other places.

By Mr. McIntyre (Strathcona) :

Q. The point would be this : there is no united effort in the grading of this lumber, is there? You say it is done more particularly where there are planing mills?—A. I think so, I think it works that way.

Q. Is it also a fact that this lumber is carefully graded before it is shipped by the wholesaler?—A. I don't know.

Q. You do not know anything about their system?—A. No, I never was there.

Q. Have you any other point to make on that?—A. I just want to give you a thought and you can take it for what it is worth. I estimate that they are enabled by this organization to raise the cost to a higher point than they would be if they did not have the organization. They get that increase and then there is the profit on the freight as well as on the wholesale price which equals about one-third and then they have the picking of the lumber thereby lowering its quality.

By Mr. Herron :

Q. There is this reducing of the quality and maintaining the high price?—A. And maintaining this price—the list shows that. I estimate that difference in the price on lumber—they are charging us \$30 additional and that 30 per cent equals \$3. Reducing this lumber is worth to me—in fact I would sooner pay another \$3 a thousand and get it direct from the mill or manufacturer. If I was getting a carload of lumber I would sooner pay \$3 a thousand more and get it direct from the manufacturer than run the chances of taking it out of a yard.

By Mr. Sloan :

Q. How is the manufacturer going to take the chance of getting his money, how is he going to get paid?—A. By shipping to me.

Q. You might be a responsible man but there are hundreds of others who would not be responsible?—A. They would not order it.

Q. But they want the lumber?—A. They would not be able to order lumber by the carload if they could not pay for it.

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Q. Then you would have to have the middleman?—A. Not the middleman, nothing but the banks.

Q. You could not turn a bank into a lumber dealer?—A. Not necessarily, just the ordinary position of a bank.

Q. Take the case of man with no capital but who wants to get lumber to build a house. How is he going to get it?—A. Send his bill to the manufacturers to put that lumber in a car.

Q. But supposing he does not want a whole carload of lumber.—A. Then he cannot order a carload. I don't want to shut out the dealer. I would allow him to do his legitimate business but not force us into everything he wants to go into.

Q. Do you not think that if such men as you were cut out it would greatly enhance the price to the poor consumer? Should we not have some consideration for the poor man as well as for wealthy men like you?—A. These dealers tell me that if men like us were to get our lumber like that, direct from the manufacturers, the dealers would shut them up.

Q. Shut who up?—A. The manufacturers. If they ship to us the dealers would refuse to do business with them, and the manufacturers say to us, 'What would we do with our mills up in the mountains if these men will not do business with us?'

Mr. McIntyre (Strathcona):

Q. If men like you could go and buy large quantities direct from the manufacturer would it not necessitate a great increase in price to the poor man?—A. It might, but it could not increase it much more than it is, because if it did they could not buy at all.

Q. That is not my question. Will you answer whether you believe it would?—A. No, I do not believe that would follow.

Q. How is the retailer to live?—A. By doing a legitimate business, there would not be one-half as many of them; they would go into something else instead of living on us. What it means is that one out of the four lumber dealers could do the work now divided between them.

By Mr. Schaffner:

Q. That is exactly what the Retail Lumber Dealers' Association are accused of trying to do. They are accused of keeping dealers out?—A. Yes, but they are forcing this thing now, and once they get in—take for instance the contractors to-day: for a number of years the association have been enabled to shut them out from buying direct from the manufacturer, but now, where some of the small contractors have got up to be large ones they have been allowed to come in, but as soon as the contractor gets in he is as bad as any of the rest of them.

Q. You mean the contractor who has a lumber yard? Do you mean that he starts a lumber yard, or is he permitted to buy direct from the manufacturers without a yard?—A. Oh, I think he has to have a yard. It amounts to this, that if he uses so much lumber—I have not got that direct from the man himself, but one man I know who was wanting to get the contract for building my house said to me, 'Just hold on, I am trying to work a game, and I think I . . . get it through, and if I do I can do something for you.' And he told me the other day he had the game worked.

By Mr. McIntyre (Strathcona):

Q. That was not a Moosejaw man, was it?—A. I am awfully sorry to say—

Q. Your evidence would go to show this, that you are particularly concerned in your own individual case?—A. Yes, and in my neighbour's.

Q. Yes, your neighbour who can buy in large quantities?—A. Who can buy in carload lots.

Q. But you have no regard for the man who wants to buy a couple of thousand feet of lumber?—A. You think not.

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Q. That is what I gather exactly from your own evidence?—A. I do not say so.

Q. Do you say the man who can buy in large quantities, the man with good credit, that can buy large quantities, should be allowed to buy from the mill?—A. Yes.

Q. And that the dealers say they will not get the same line of business if you do, and other dealers may have to go out of business if the mills sell direct to the consumer, and if they have to sell to unsecured persons in small quantities?—A. That is your phrasing of it.

Q. You have told us here that you can produce evidence that this is their claim?—A. Yes.

Q. Is not that what you said?—A. I never said it would enhance the price to the small buyer.

Q. Did you not tell us that the dealers told you that if you people with good credit who buy large quantities were allowed to buy direct from the manufacturer that the dealer would have to go out of business?—A. No, I did not say that.

By the Chairman:

You are putting it wrong, Mr. McIntyre. What he said was that the dealers would not buy from the mills that sold to the consumers.

By Mr. McIntyre (Strathcona):

Q. Oh, that's it—the boycott. Is not the inference that these men want to keep the whole business, and are afraid that unless they had the whole trade they could not afford to exist?—A. Not so many of them.

Q. Your idea is that fewer men could do the work?—A. Yes.

By Mr. Sloan:

Q. What would you do in small places where a dealer is able to operate now, and if the consumer who needed a large quantity could buy it direct from the manufacturer, would not the dealer have to go out of business? And would not the farmer then who wanted a small quantity have to go perhaps a hundred miles to a yard in another town?—A. You do not need to go to that extreme distance. You would not drive a dealer out of a small town where there is only one dealer.

Q. Would it not drive the local dealer out if the wealthy men all got their lumber at mill price?—A. No.

Q. How would he exist?—A. Well, he would take some other business. If there was not enough in it he would go into something else.

Q. He could take up some other lines?—A. He would not have to do that very long.

By Mr. McIntyre (Strathcona):

Q. Do you not think two dealers in a town is preferable to one for the people who want to buy small quantities?—A. No.

Q. You do not think it is?—A. No.

By Mr. McIntyre (Perth):

Q. Can you suggest any way by which a manufacturer can be forced to sell to you if he does not want to?—A. I have not got knowledge that is superior to yours, sir, on that line.

Q. You are complaining of the treatment. I am asking you if you know of any cure?—A. Well I believe that the government has knowledge of ways and means of overcoming difficulties of this kind I do not possess.

Q. You have no suggestion to make to us?—A. Well, I have one I should like to see put into practice, and it is something like this—if I understand it right the mass of settlers have the right, as well as the right to a homestead, to a timber permit or grant to cut so much timber wherever there is timber near belonging to the government. He has that right. Under the existing land law the settler has the right to get so much lumber, so much posts and so much wood, and he can also get a permit to cut so much lumber, so many thousand feet of lumber, if I understand it right.

The CHAIRMAN.—That is right.

A. If I understand it right he has that right when within fifty miles of the timber. I may be right or wrong on that, but it appears to me that all men should have that right. The fact that I happen to settle in a country fifty miles away on the prairie, and that there doesn't happen to be any woods on that prairie should not debar me from my right, as I understand it, to a part of the natural resources of the country. That is a right which the government admits by giving it to one man, and therefore they should give it to them all. If they did that—some of our manufacturing friends say, 'Why do you not go into the lumber business yourself.' If the government did that we would very soon go in, and get our own lumber.

By Mr. Fowler:

Q. Would it not be a better suggestion to have the government cut lumber for you and haul it?—A. It would be better in that regard, that the government could put in a mill on the limit, and sell to that permit man at the cost of cutting; otherwise they would give him lumber at the cost of production. I might say that if the government could not run it for any less than it is being run now, the farmers could form an organization and show them how to do it.

Q. What is to hinder the farmers from forming a co-operative society and putting up a mill and going into the lumber business now?—A. Just the same difficulty that you and I know, the farmers are not in the same position for organization work that other business interests are. There is no need for my going into that, you all know, as well as I do, that they have not the same facilities for work, and cannot carry it on successfully, and on account of that they are shelved on all sides, and you know it.

By Mr. Sloan:

Q. How long have you been in the Northwest?—A. Twenty-four years.

Q. Do you remember when the duty was taken off rough lumber, about 1896?—A. Yes.

Q. Did that bring down the price of lumber?—A. No. I remember it was said there were lumbermen in the House of Commons striving to get the government to keep on the duty of \$2, as I understood it, and immediately after the duty was taken off, I think the price went up.

Q. You know that duty was taken off from rough lumber some years ago?—A. Yes.

Q. For a time there was a good deal of American lumber going into your part of the country, was there not?—A. I don't think there was very much American lumber.

Q. There was some going in, was there not?—A. I do not know of any, but I have no doubt there was some. We used to get all our lumber from the West, as near as I know in the early days. In 1894, at the time the lumber mentioned in that first bill was purchased we had lumber about the place which came in, I think, from the other side.

By the Chairman:

Q. The lumber, you say, is principally British Columbia stuff?—A. All Mountain stuff.

By Mr. Sloan:

Q. Well, in view of this advance in price by the British Columbia mills, do you not think they would be able to get lumber from the other side?—A. I would like to see all duties taken off from every class of lumber, manufactured or unmanufactured.

Q. What do you think is the reason there is no American lumber coming in, in view of the increased price of British Columbia lumber and the fact of there being no duty on rough lumber?—A. I do not know myself but the men who do know—

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the manufacturers around here—have told me the demand in the States is just as good as it is here, and they have to supply the demand at home.

Q. It is because of the demand?—A. I think so. In the case of doors, windows, hardwood, stair finishings—all that class of stuff, of a far better class, they are buying it now, and paying duty, and fetching it into my town. I know if the duty was taken off it would be a great boon to our people.

By Mr. McIntyre (Perth):

Q. Is the demand for lumber in the west fully equal to the supply? Is the demand very keen?—A. For lumber?

Q. Yes?—A. Oh, I think so.

Q. Is there delay in getting a supply?—A. There has been, I think. The lumber dealers, most of them, complain of the car shortage, but it is a wonderful thing—

Q. So there is no surplus of lumber being manufactured to help to keep down the price, the tendency is the other way?—A. Yes.

Q. That is one trouble you have to face?—A. Yes. I believe myself that it will cost the manufacturers more to manufacture lumber now than it did a year ago. It is reasonable to suppose the logs will be further away as they keep cutting the timber down, and wages will be a little higher.

By Mr. Herron:

Q. Just upon the point you were speaking of a minute ago. How much higher do you suppose ordinary boards are to-day than they were 12 months ago? What is the percentage?—A. 12 months ago? Well that list shows \$4 more than it was a year ago—that is last April.

The CHAIRMAN.—That was not a year ago, it was from October until March.

By Mr. McIntyre (Strathcona):

Q. Your general objection is to the working of the Retail Dealers' Association, is it not?—A. That is what I speak of now.

Q. You object to the consumer not being able to buy wholesale direct?—A. That is the one thing I am at now. I have got a lot more up my sleeve, you know. I do not want you to get it all, but that is one point.

By Mr. Fowler:

Q. You are a farmer, are you not?—A. Yes.

Q. Do you know anything about the price of horses? For instance this year and last year?—A. Well, I don't know very much. I have horses to sell all the time, but I have not happened to sell any lately. I don't know if there is any change. I don't think there is any material change. They were very high last year, and I think they are about the same this year.

Q. You think there is no difference between the price of horses this year and last?—A. I do not. I don't know of any, anyway.

Q. There are certain items that go into the cost of the production of lumber. Oats would be one of them, what do you say as to that?—A. Oats are about the same.

Q. Pork?—A. Pork is higher.

Q. Pork is higher this year?—A. I don't know that it is higher now than it was last year, but it was higher last year and this year than it was previously.

Q. I do not want to confuse you between the prices of horses this year and last year, but say for two years past?—A. Horses have risen in price in the last 3 or 4 years very materially.

Q. Have they not risen during the last two or three years materially?—A. Yes, I think they have.

Q. From \$100 to \$150 a pair, that is for the class of horses that would be used in the lumber woods?—A. I do not know what class of horses they do use.

Q. From 1,400 to 1,600 and 1,700, young, sound horses?—A. They have gone up very materially in the last two or three years.

Q. Flour?—A. Flour is cheaper.

Q. Cheaper?—A. Cheaper than it was a year ago.

Q. How about two years ago?—A. Well, I think it is cheaper than it was or about the same thing possibly. I don't think there is much difference in the price of flour taking it on the average, in the last two or three years.

Q. It generally keeps on an average. It varies a bit and goes back again?—A. I think likely it is a little higher. It keeps gradually getting a little higher. It seems to go up 5 cents and 10 cents and then drops 5 cents.

Q. Flour you would say is higher? How about hay?—A. Well, we don't sell hay in our locality.

Q. But you know something about the price, don't you?—A. You see a local demand would not be anything to go upon as to what they would have to pay in the mountains. It is something like potatoes which might be 5 cents a bushel in one town and \$1 in another town 100 miles away.

On account of the distance?—A. Yes.

Q. The same thing would apply to oats, would it not?—A. No, because oats are not perishable like potatoes and can be shipped farther.

Q. How about the price of oats, is it about the same?—A. Oats were cheaper with us last year than we have had them for 10 years.

Q. Potatoes you say, would depend upon the locality because they are perishable and bulky?—A. I don't know how they get their potatoes or where from?

Q. Do you not think taking the last two years that the price of almost everything that goes into the manufacture of lumber has risen—that is wages are higher and provisions are higher?—A. Yes.

Q. Horses?—A. I think that likely, it is the same.

Q. The lumber has been cut near at hand and they have to go farther which would increase the cost?—A. The lumber manufacturers tell me that and I believe it.

Q. Naturally it would, would it not?—A. I have not been there to see.

Q. Do you think the best remedy would be to allow any person who wishes to get a carload of lumber to buy direct from the manufacturers?—A. I don't think that would be the best way, but that is one way.

Q. That is one way?—A. That is one thing I would like to see.

Q. You think that would remedy the present grievance to some extent?—A. It might or it might not.

Q. Do you think it would reduce the price?—A. Well, I cannot say that. It certainly would if the manufacturers would sell it to us at the same price that they sell it to the dealers, but if you were to start a change and they were not willing or agreeable they might surround it with conditions the same as the grain men under the Grain Act. You could not utilize it and it would do more harm than good. It is no use going on one question; you have to proceed very carefully and watch before you make any change.

Q. You see we want to find out two things: What the conditions are, and whether they need a remedy. Then we want to find out how to remedy it. You are a practical man, coming right from that country, representing a large organization, and we would like to know what remedy you think could be applied?—A. I have suggested three, now that is one.

Q. But you say you do not know whether it is practical or not?—A. If you surround it with proper conditions, and if you look after it properly.

Q. Give your idea of what you think would be looking after it properly?—A. Of course I am not a lawyer, and it would be necessary if I were making a bargain of that kind, I would want to be sure that the manufacturer was on my side, that he wanted to do this.

Q. Then, Mr. Green, it appears you think somebody is needed to undertake some gospel work among the manufacturers to get them converted to your way of thinking?

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—A. If what these manufacturers say is correct, they are afraid of the dealers you see.

Q. You want to remove that fear first?—A. Yes.

Q. How would you suggest doing that?—A. Well, I just do not know how. I would break their backs anyway, somehow.

Q. You might be indicted for murder.

By Mr. McIntyre (Perth):

Q. Do you know where the manufacturers get their supplies? Is it from limits they obtain from the Dominion or the province?—A. That is a point that may work into it; if they have to pay enormous prices for logs they cannot possibly sell cheap lumber.

Q. Do you know if the Dominion government has any large amount of forest or timber lands there?—A. Up in the mountains?

Q. Yes?—A. I really do not know.

Q. Is not the greater portion, if not almost all, held under provincial timber lease?

—A. Is it? I do not know.

Q. You have no knowledge of that?—A. No.

Q. So that you do not know the actual condition with regard to that?—A. No.

By Mr. Fowler:

Q. You think then that the principal fault lies with the retail dealers?—A. I would not go that far.

Q. You say the manufacturers are afraid of them?—A. Well, I say if they are. They say that for a while the dealers did have them in a box, but they say now they have not got us there. It is easy to judge from the evidence, and you have the lumber manufacturers here, and you have had some of them and I have heard them—

Q. No, no manufacturers as yet; we have had the dealers?—A. Well, they have said that they would, if the mills sold to the customers, they would not buy from them; one or two made statements like that.

Q. There is no question about that, it is admitted; we have documentary evidence of that?—A. Well, if it is established they have shown that they are afraid of them; that the dealers are afraid of them.

Q. No, no, not the dealers but the manufacturers?—A. Well, if that does not show it, one manufacturer told me right in this room, that if they sold to buyers like us the dealers would not buy from them, and he asked what would we do with our mills in the mountains, which would be useless then.

By Mr. McIntyre (Perth):

Q. What is the answer to that?—A. I do not know; that is a proposition I answered this way: 'You would keep on selling to the men who wanted the lumber. It is the same thing; they would have to buy, and what does it matter to me whether I buy direct from you or through three or four men I do not want to use.' There would be just as much lumber sold.

By Mr. Sloan:

Q. That is from the standpoint of the consumer. You are here representing the consumer?—A. Yes.

Q. It would appear from what you say that the retail dealers are the most dangerous to the consumer in keeping up the price of lumber. Is that what you want to make out is unfair?—A. As far as I see at the present moment the Lumber Dealers' Association is a very dangerous thing to the consumer, and is enhancing the cost to them.

Q. That is the retail dealer?—A. Yes.

Q. You think they are more to be feared than any other organization at the present time?—A. I know they are to be feared.

By Mr. Fowler:

Q. Do you say that but for the Retail Dealers' Association you would be able to buy lumber direct from the manufacturer?—A. I think so.

Q. Except for the association?—A. Yes.

Q. Supposing there are retail dealers but no association, you would still be able to buy from the lumber manufacturers?—A. I think we would.

Q. It is only the fact that they have an association that keeps them together that imposes this fear upon the manufacturers, that they are afraid to sell to you people?—A. I am of that opinion.

Q. I only want to get your opinion?—A. Yes, that is my opinion.

By Mr. McIntyre (Strathcona):

Q. I have been asked to submit a number of questions in regard to the existence of this association. Was it in existence in 1894 at the time you bought lumber at \$22.50?—A. I did not know of it then.

Q. You did not know of it then?—A. No.

Q. Was it in existence in 1903 when you bought lumber at \$26?—A. Yes.

Q. Was it in existence in 1904 when you bought lumber at \$25?—A. Yes, I think so.

Q. And it was in existence in 1905 when you bought lumber cheaper, at \$21?—A. I think so.

Q. It has been in existence ever since its organization?—A. Yes.

By Mr. Knowles:

Q. You were at the meeting of the Saskatchewan Grain Growers Association this year?—A. Yes.

Q. You were present when the resolution the last witness handed in was adopted?—A. Yes.

Q. Did they have any suggestions to make at that convention?—A. At that convention the lumber question was almost entirely neglected. It was thought that the government had appointed this committee and that the committee were going to look into it, and therefore there was no use then bothering about it, after the government had appointed the commission, it was felt that they would reach a just decision.

Q. You have been in the Association meetings from time to time?—A. Yes.

Q. Have you ever held office in the Grain Growers' Association?—A. Yes.

Q. What office have you held?—A. I am one of the executive now.

Q. Did you ever hold any other office?—A. No.

Q. Have you ever held office in the local agricultural society?—A. Of course I have held that for years.

Q. What office?—A. I have been president for years, and am secretary now.

Q. And it has been a live question before the agricultural society in your own district and in the Grain Growers' Association of the province for some time?—A. Yes.

Q. For how many years would you say?—A. Several years.

Q. It is one of the prominent questions of the day?—A. It has been one of the prominent questions for the past two years.

By Mr. Herron:

Q. Do you think the present high price of lumber has anything to do with holding back the settlement of the Northwest?—A. I do not know that, but I do think it has a great deal to do with holding back improvements agriculturally. You all know that you are teaching us from time to time that a man should be in mixed farming rather than all wheat. If we are going to have stock we must have the means of housing them and it is a very great detriment to the interests of stock raising. Anybody who is trying to work into any new line such as stock raising must consider what it is going to cost him for the barn he needs, and with the present prices a barn will cost

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him all the way from \$5,000 to \$7,000 which is a pretty serious proposition when he starts in.

Q. Of course, to a man going on a homestead lumber is, under the circumstances, his first need, is it not?—A. Sure.

Q. That is to the homesteader?—A. Yes.

Q. It is absolutely indispensable?—A. Yes. There is one other thought in this matter, I have been careful to not say—you have asked me three or four times if I wished to lay all the blame on the dealers. Now, I do not know to what extent the manufacturers are guilty. I have not been up there. They may be perfectly innocent, they may be the most innocent men on this earth for anything I know. But there is one fault that we have to find with them and that is that the lumber is all too narrow, or the greater portion of it, and this practically amounts to 10 per cent, as near as I can figure it out, in width. That added to the others, makes the cost of lumber come to double what it should be if the lumber was always of a proper width. If these and the other difficulties were removed we would get lumber altogether cheaper than we do now.

By Mr. Sloan:

Q. What do you mean by being too narrow?—A. It is all slack, about half an inch.

By Mr. Knowles:

Q. Do you find them making the mistake of being too generous?—A. No, I never ran up against that yet.

By Mr. Schaffner:

Q. I suppose there has never been any difference in that respect? It has always been the same. They are not making it now any narrower than formerly?—A. It might be but we seemed to be getting too little before.

Q. How much narrower is it?—A. Half an inch. Instead of 6-inch board we only get 5½.

By Mr. Sloan:

Q. Dressed or rough?—A. Siding and shiplapped the common boards.

By Mr. Schaffner:

Q. You are short half an inch 'on 6-inch boards?—A. Yes.

Q. How much feet of boards?—A. I think about the same as a rule.

Q. Would the sawing make any difference?—A. It might.

By the Chairman:

Q. Is it boards of the ordinary thickness you buy?—A. Yes.

Q. How thick are those you buy?—A. They are not more than, as a rule ¾-inch, and sometimes they are hardly that.

By Mr. McIntyre (Strathcona):

Q. If you bought it undressed would you get it the full width?—A. I don't know, I never saw any like that of late years.

Q. Is it all dressed?—A. It is all dressed on one side.

By Mr. Sloan:

Q. You understand this lumber is all cut green, and shrinks ½ or ⅔?—A. I mean this; if I want to cover over a building which has 1,000 ft. of surface, it will take 11 or 12 hundred ft. of lumber.

Q. When it is run through the planer and dressed?—A. I don't know what the causes are, but that is the fact.

By the Chairman:

Q. If you ordered 100 pieces of 2 x 4 dimensions, what would that measure?—A. That is very slack. In some cases I have seen 2 x 4 when it was only $3\frac{1}{2}$.

Q. $1\frac{1}{4}$ inches you mean?—A. $1\frac{3}{4}$ by $3\frac{3}{4}$ inches.

Q. Dressed or undressed?—A. Dressed on one side.

By Mr. Fowler:

Q. That obtains everywhere from the Atlantic to the Pacific, so you are not singled out?—A. Perhaps not.

Q. The fact is the lumber is cut green and the shrinkage accounts for the difference in the width. But you think when you buy 6 inches, you ought to get that width?—A. In order to get sufficient lumber to cover 1,000 ft. I have to buy 1,200 ft. It makes quite a difference, when you are charged \$30 a thousand if you have to pay for the sawdust.

Q. Does the manufacturer not have to pay for the sawdust?—A. Not at \$30 a thousand.

Q. There is a good deal more goes into the lumber you get than sawdust?—A. But he does not ship that.

Q. He pays for it?—A. We have to pay for it.

Q. If he pays \$13 or \$14 and you get a superior kind of lumber at \$30 you are not very badly out. He has to manufacture and meet all the other costs in connection with it and it goes through the hands of the retailer?—A. It is just the same principle as the grain man practises with the grain. The lumberman cuts each piece off the log and leaves the sawdust in the pit. But he charges me \$30 a thousand for it; that is the practical result.

Q. I don't see how you can make that out?—A. I pay for those portions I never got.

Q. Oh, no, the board when it was cut up measured 6 inches, or whatever was specified, but the sawing and the dressing causes the shrinkage?—A. I see. I understand you mean he allowed for the width of the saw and cut it that much less.

By Mr. Sloan:

Q. Twelve inches of fair board will shrink probably $\frac{3}{4}$ of an inch?—A. If it does that we will have to grin and bear it.

By the Chairman:

Q. Is there anything else you want to say?—A. I would just like to make this point. You know we have been talking with these lumbermen quite a lot, and we have them right here so we can have them at first hand, and there is no more excusing about it. We have the lumberman himself here with the very best of evidence. One of these men told me. 'You people cannot do anything anyway.'

By Mr. McIntyre (Strathcona):

Q. To whom does he refer?—A. I understand him to mean the committee and the Government.

By Mr. Schaffner:

Q. I see, everybody?—A. Everybody. He said there was no law to compel a man, and that he would go right home and make us pay ever so much more for the lumber on account of this investigation. He said that because he was called down here and put to a whole lot of expense. He said that they will raise the price of lumber in spite of all of you—you and the consumer also—and the farmer will have to pay for it.

By Mr. Fowler:

Q. You had better tell us who that man is?—A. Well, sir, I have got the gentleman's card right here. There is the gentleman who told me. (Producing the card.)

The witness was discharged.

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Mr. EDWARD FEARRON, Maple Creek, Saskatchewan, sworn.

By Mr. Knowles:

Q. What is your name in full?—A. Edward Fearron.

Q. Where do you live?—A. Maple Creek.

Q. How long have you lived there?—A. About 20 years.

Q. What business are you engaged in?—A. Ranching.

Q. What kind of ranching?—A. Sheep ranching.

Q. What is the main industry in the district around Maple Creek, ranching?—
A. Sheep and cattle ranching.

Q. It is a ranching rather than a wheat growing country on the whole?—A. It is a ranching country entirely; there is no wheat raised there.

Q. There is no wheat raised around Maple Creek?—A. Nothing to speak of. I do not suppose there would be more than one or two carloads shipped out in the history of Maple Creek.

Q. Have you any number of homesteaders there now?—A. There have been a number gone in during the last year, but they have made no improvements and a great many have abandoned their homesteads and they have been cancelled.

By the Chairman:

Q. Most of them have abandoned their homesteads?—A. Cancelled their homesteads,

By Mr. Knowles:

Q. Do you know that from reference to the books or is it just your opinion?—
A. I know it from the cancellation notices in the post office.

Q. A great many cancellation notices never go through, a great many of them?—
A. Yes, people may—

Q. At any rate this is largely a ranching country.

Mr. FOWLER.—I cannot hear what the witness is saying. I heard something about homesteads having been cancelled.

The WITNESS.—A great many homesteads have been cancelled.

By the Chairman:

Q. When you say 'cancelled,' do you mean someone else has taken their places?
A. No, they proved upon their homestead probably someone else may have made application, or in many cases they have cancelled it and abandoned it themselves. It is not necessary to question, Mr. Chairman, that it is a ranching country, that the principal industry is ranching, as yet agriculture is a small factor, there is absolutely none.

By Mr. Knowles:

Q. As yet? Does that mean that it is growing into an agricultural country?—
A. By that I mean that no part of the country can be farmed successfully.

Q. You say you have lived there how many years?—A. Twenty years.

Q. Have you ever held any public position? I understand you were in the local assembly?—A. I have sat in the local house.

Q. What years were you there?—A. From 1894 to 1898.

Q. Are you able to tell us anything about the price of lumber supplied in your district?—A. I have here a price list.

Q. What date is that?—A. March 13, 1907.

Q. What is the date of that? What are the contents of that?—A. Well, the class of lumber that is probably mostly used like common board, runs from \$23 to \$28 per thousand.

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By the Chairman:

Q. Are those prices supposed to be at thirty days, or what?—A. No, the terms of the whole of the business that is done in that country are supposed to be cash.

Q. All spot cash?—A. Yes, like all business done in that country, there is a large line of credit given.

Q. Commercially, they are cash terms?—A. Yes, but there is a large line of credit given in the ranching country.

Q. That telegram is from whom?—A. From A. A. Meneley.

Q. In Maple Creek town?—A. Yes.

Telegram filed as

EXHIBIT No. 34.

MAPLE CREEK, SASK., March 13, 1907.

EDWARD FEARRON,
Ottawa.

Number 1 common boards, 4 inch twenty three dollars, six inch twenty six, eight inch twenty seven ten and twelve twenty eight, cull boards, twenty three, dimensions, 2 by 4, 2 by six, 2 by 8, 2 by 10 up to sixteen feet, twenty seven dollars, 2 by 12, twenty-eight, cull dimensions, 23. Timbers, 3 by 4, six by six up to sixteen feet, thirty dollars, over six by six up to 12 by 12, thirty-three dollars. Timbers and dimensions one dollar per thousand additional every two feet over sixteen feet. Common cedar boards one dollar a thousand less than other kinds. Two inch cedar dimension two dollars less, shiplap six inch twenty eight dollars, eight, ten and twelve twenty nine, cull twenty four. Mountain flooring, ceiling and siding, No. 1, forty one dollars. No. No. two, thirty nine dollars, No. 3, thirty three dollars. Finish clear No. 1 pine or fir, sixty dollars. No. 2, forty dollars. Lath No. 1, cedar, six dollars; lath, mixed, five twenty five. Flooring coast No. 1 three inch E. G., fir, fifty dollars, No. 1 and 2, 3, 4 and six inch, forty dollars, No. 1 and 2 flat grain, forty two dollars. No. 3, forty. Siding coast No. 1 and 2, 1 by 6, six inch fir, forty-two dollars. No. 3, 1 by 6 inch fir, thirty nine, No. 1, 1 by 6, six inch cedar, eight to sixteen feet, fifty five dollars, No. one half inch by four or six inch bevel siding, thirty eight dollars; ceiling coast No. 1 and 2, 4 to 6 inch fir, forty two dollars; No. 3, four to six inch fir, forty two dollars; No. 3, four to six inch fir, thirty nine. No. 1 and 2, five eighths by four or six inch, thirty-five dollars. Coast clear cedar, number one, seventy five dollars; No. 2, sixty dollars; shingles, No. 1, four dollars; No. 2, three dollars. This is half of list, if you want balance, wire me.

A. A. MENELEY.

By Mr. Knowles:

Q. How large a town is Maple Creek?—A. 300 to 1,000 population.

Q. I understand it is the largest town probably for 300 or 400 miles?—A. Between Moosejaw and Medicine Hat.

Q. Which is the distance of 275 miles?—A. It is about 200 miles.

Q. From Moosejaw to Medicine Hat?—A. Oh, yes, it is 275 miles between those points.

Q. This is one of the important towns in the ranching district then?—A. Yes.

Q. Do the people feel themselves aroused in any way to the lumber situation in the Maple Creek district, or is there any feeling there?—A. No, I cannot say that there is. I cannot say that it is of sufficient importance to make it a grievance, but that may be due largely to the fact that there is no great demand.

Q. You have not heard it discussed in public meetings of any kind?—A. No, I have not.

Q. Do you belong to the Sheep Breeders' Association?—A. I do.

Q. Do you hold any office in the Association?—A. I am secretary.

Q. Have you ever been president?—A. No.

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Q. You are secretary of the association. Has that organization ever brought up this grievance in that way?—A. It never was brought up.

Q. You say, as representative of your district, it has not yet been the subject of much public agitation?—A. That is so.

By the Chairman:

Q. That is because you have not used a large quantity of lumber?—A. No, we have not.

Q. You do not use lumber to put up shelters for your stock?—A. No, not to any great extent.

By Mr. Knowles:

Q. Can you tell us anything of prices of late, whether they have increased or decreased?—A. They have increased.

Q. Can you give us an idea for the last two or three years of the percentage they have increased?—A. I made inquiries of anything appertaining to the business before I came down, and I found they increased about \$5,000 a thousand within the last twelve months, that is from March last.

Q. In about the last twelve months, you find an increase of \$5 a thousand?—A. Yes, on the material mostly used, for rough lumber and dimension stuff.

Q. Do you know any reason for this increase yourself?—A. No.

Q. Do you know anything about the Retail Dealers' Association in your district?—A. Well, I know there is an association.

Q. Yes, do you know anything about their meetings or the purpose of having such an association?—A. No, I know nothing whatever about the meetings or the purposes of the association.

Q. You do not know anything about the purposes of the association?—A. No.

Q. Do you know if they set the prices they all go by?—A. There is a set price list, the price list they go by.

Q. How many lumber yards are there in your town?—A. Three.

Q. Do they always have the same prices?—A. They have the same prices, but my experience in buying lumber, I never realized that there was a combination of any form, because my experience in buying lumber was like buying anything else; if I went there and wanted an order, and if they knew it was a cash order, I could always get terms.

By the Chairman:

Q. You could get a reduction in price?—A. Yes, that is my experience.

By Mr. Fowler:

Q. Was that from the dealer or the manufacturer?—A. From the dealer, I am surprised to hear that there were hard and fast terms, that no allowance was made for cash, because that is not my experience in my own locality.

By Mr. Herron:

Q. How long have you had experience in buying lumber?—A. I bought a carload of mixed lumber, posts and rails, in the fall of 1905.

Q. But since the fall of 1905, you have not been buying lumber since?—A. Oh, no, I might have bought a few hundred feet or anything like that.

Q. The combination may have existed since then?—A. It may have existed since, I do not know.

By Mr. Knowles:

Q. As far as you can voice the public opinion in your district, you do not know of any such combination there?—A. No.

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By Mr. Fowler:

Q. You know of no complaints among your people?—A. No more, than the usual complaint about things being high. It would apply to anything else.

By Mr. Sloan:

Q. Are sheep higher than they were?—A. Yes.

By Mr. Fowler:

Q. What about cattle?—A. Cattle, they are not higher.

Q. Are horses higher?—A. Horses are higher.

Q. What about hay?—A. Hay was high this year on account of the severity of the winter.

Q. What is that?—A. It was higher this winter on account of the severity of the winter.

By Mr. Sloan:

Q. Where is the principal market for your sheep?—A. In Winnipeg.

By Mr. Fowler:

Q. What discount would you get off a bill of lumber—you were speaking of getting a reduction?—A. I cannot tell you just now. It was not in the form of a discount in that particular case. I handed the dealer a list of what I wanted, and said: 'What can you fill that for for me?' and he simply put his prices down and I ordered.

Q. He cut his prices down, he did not give you a discount off the bill?—A. There was no discount, he just cut the prices.

By Mr. Sloan:

Q. Had you the printed list?—A. No.

By Mr. Herron:

Q. How do you know that he cut prices?—A. Well, he said, 'We sell that at so and so, and we will put it in for you at so and so,' just as any merchant would do.

By Mr. Fowler:

Q. Is there more than one dealer there?—A. Yes, there are three.

Q. Were there three at that time?—A. Yes.

Q. You went to this dealer as you would go to a grocery man and said, 'What can you do this for?'—A. Yes, just the same as paying cash, and I am trying to get the article as cheaply as I can.

By Mr. Sloan:

Q. They sell on credit, do they?—A. Yes.

Q. What interest do they charge on the overdue account?—A. Eight per cent, but the account is not overdue for a year, they carry an account for a year.

By Mr. Fowler:

Q. Without charging interest at all?—A. Without charging interest at all, that is the rule in that country, all merchants do that.

By Mr. Herron:

Q. Did you submit your list to all the lumber dealers in that town?—A. No.

Q. You took it direct to one man?—A. Yes.

Q. And gave him the order?—A. I gave him the order.

Q. You do not know whether the prices were all the same or not at that particular time?—A. At that particular time? I do not.

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By Mr. Fowler:

Q. Do you mean to tell me that the run of credit is one year there?—A. Yes, the general merchants carry accounts for a year.

By the Chairman:

Q. I suppose that arises from the fact that the rancher only realizes on his stock once a year?—A. That is the origin of the custom, that the sales would be made once a year.

By Mr. Fowler:

Q. And after credit has run for a year they charge 8 per cent interest?—A. Eight per cent.

Witness discharged.

Mr. JOHN KENDALL, chartered accountant, Vancouver, sworn.

By Mr. Fowler:

Q. You are a chartered accountant, Mr. Kendall?—A. I am, sir.

Q. Have you any connection with the Lumbermen's Association?—A. None, whatever. I am simply employed to audit the books at certain of the mills.

Q. Individual mills?—A. Yes.

Q. What mills are you connected with?—A. I shall, with the approval of the committee, submit a statement calling the mills 'A,' 'B,' 'C,' 'D,' because I think it would be unfair to the men whom I represent to give their cost of manufacture in figures when the cost of manufacture in figures of other mills are not exposed.

Q. How many mills do you represent?—A. I have the figures for about six or seven here. I audit about thirteen or fourteen, but the others would not give permission to submit their figures to the committee.

Q. You are going to give us the cost of manufacturing, are you?—A. Yes, sir. I will submit them one by one, as you desire it. I will call this one 'A. B. Mountain Lumber Company.' The authorized and paid up capital of this company is a million dollars. I will submit the figures to the chairman as I have a duplicate copy.

Q. Give the figures to us as we go along.—A. For the year 1905, the cost of logs delivered at the mills, not including stumpage and Crown dues, was \$4.51 per thousand. The mill charges, including wages, mill supplies, general operating expenses, loading, &c., was \$7.19. The administration expenses, insurance, interest and discount was \$2.36. That made a total cost of production of \$14.06.

Q. That was in 1905?—A. 1905. The actual price realized by the mill was \$13.57 per thousand.

Q. Have you accounted for the stumpage in that?—A. That is not included.

Q. You have not included any stumpage at all?—A. None, whatever.

Q. Nor any Crown dues?—A. I have not included Crown dues either. That is the straight charge.

Q. Why not have the Crown dues in?—A. You can add it to that. Fifty cents a thousand.

Q. What does that make?—A. That makes a total then of \$14.56.

Q. Adding Crown dues?—A. Including Crown dues. The actual amount realized for that same lumber was \$13.57 per thousand.

Q. Ninety-nine cents less?—A. Yes.

Q. To say nothing of the stumpage?—A. And it does not include depreciation of machinery or interest on the capital of the company.

Q. Did that mill cut Dominion timber or provincial timber?—A. Part was Dominion and part was provincial.

Q. And you are including in that the cost of the limits?—A. Not the original cost of the limits.

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Q. No cost of the limits at all?—A. No, they are straight charges.

By the Chairman:

Q. And the cut was 14,000,000 feet?—A. Yes, 14,000,000. In 1906 the conditions were a little better. The cost of logs, including delivery at the mill, was \$5.06 per thousand. That was a rise of 50 cents.

Q. That is the cost of logs delivered at the mill?—A. Yes.

Q. Does that include the cutting and driving?—A. The cutting and driving, yes. The mill charges, which are more than in the previous year, were \$7.46, and the administration expenses, insurance, interest, discount, &c., were \$3.56.

By Mr. Sloan:

Q. I see there is quite a rise in the administration expenses here?

By the Chairman:

Q. How does that come about, before they were a dollar less?—A. In this particular case, the office staff was added to considerably and the mill superintendent's and manager's wages were raised quite a lot.

Q. The mill cut was the same?—A. The cut was the same, practically.

By Mr. Fowler:

Q. Did they put in new men?—A. No, there was a general rise in wages.

Q. It seems very strange that when going behind they should raise the wages?—A. If you will allow me to finish, they were not going behind, the total cost was \$16.58 and the sales realized \$16.77, they just paid their way, but the cut was a little more than half a million in excess of that of the previous year.

Q. You mean that is the sale price on the car?—A. Yes.

By the Chairman:

Q. I would suggest that someone should change those figures, and give the real cost, including dues, instead of having the total there as it is.—A. We can furnish you with copies of this statement with the amount added, it is only 50 cents.

By Mr. Fowler:

Q. I think those charges ought to be added to that statement?—A. I made a notation that the item for logs did not include the stumpage or Crown dues, so they can be added.

By Mr. Fowler:

Q. That statement only covers the last two years?—A. I thought it was best to deal with the last two years, with the present conditions really.

By Mr. Knowles:

Q. You mean all the time in your statement that they were not buying a limit, and you are making no allowance for the investment?—A. No.

Q. They owned the limit to start with?—A. Yes.

Q. In the C. D. undertaking your statement is for 21 months, ending December 31, 1905. That was because they did not divide it up, they took two years in one. Now the cost of logs delivered at this mill, including provincial and Dominion Crown dues was \$6.30 per thousand.

By Mr. Fowler:

Q. That is including the dues?—A. Yes.

The mill charges, including wages, mill supplies, repairs, and general operating expenses were \$5.15; the administration charges, office and general salaries insurance

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interest on borrowed money, general expenses and selling charges were \$2.25. That makes a total cost of production of \$13.71.

Q. Including the dues?—A. Yes, now the lumber sales, after deducting the freight charges—

By Mr. Sloan :

Q. What is the capitalization of this company?—A. Approximately, \$450,000. The lumber sales realize \$13.12 per thousand.

By Mr. Fowler :

Q. That is on 21 months?—A. Yes. For the year ending December 31, 1906, the cost of logs delivered at the mill including Provincial and Dominion Crown dues was \$6.68. The mill charges including wages, mill supplies, repairs, and general operating charges were \$5.52, and the administrating charges, office and general salaries, insurance, interest on borrowed money, general expense and selling charges were \$3.20 per thousand.

Q. And increase all round?—A. Well, the increase there was partly attributable to some little differences between the directors and shareholders, resulting in expensive litigation, which increased the charges in that particular case. The total cost of production was \$15.40.

By the Chairman :

Q. I notice you did not give the cut in this instance?—A. Well, the cut was approximately \$15,000,000 feet. The lumber sales in 1906, after deducting freight charges, averaging \$16.01 per thousand, that made an average profit on the year of 61 cents per thousand.

By Mr. Herron :

Q. Are these mountain or coast mills?—A. They are both Mountain mills. I have a notation here that in arriving at these figures no allowance has been made for depreciation of buildings, plant and machinery, or for interest on capital invested, nor has any reserve been made to cover bad and doubtful accounts, if any, among the accounts receivable.

Q. When did you audit these accounts?—A. I finished this audit about a fortnight ago—

By Mr. Fowler :

Q. This is the regular result?—A. Of my ordinary work?

Q. Your regular duty?—A. Yes.

Q. And prepared for this committee?—A. Yes. The cost of logs, includes a stumpage charge for logs cut off the company's own limit of 50 cents per thousand. No reserve has been made to cover the contingent liability of the timber limits held by the company being destroyed, or partially destroyed by fire.

Q. And no allowance for depreciation?—A. No allowance for depreciation.

Q. And still they only made 61 cents?—A. Only made 61 cents. There is really a slight increase of profit in this way. Probably some of you gentlemen may know that logs cut into lumber make a little more than the logs scale, so there is a slight profit. Very much depends on the mill. If the logs are small probably the variation is very small; it might not amount to more than probably 5 or 10 per cent. On the coast it is running about $7\frac{1}{2}$ per cent. It used to run a little more. Against that there is a loss in the yard itself. The lumber when it is sold does not turn out the amount that is cut in the mill. Now we will take the next mill.

The CHAIRMAN.—It will take you a little time to finish, and as it is 1 o'clock we had better adjourn.

The committee rose.

MONDAY, March 18 1907.

The committee resumed at 4 p.m., Mr. Greenway, presiding.

The examination of Mr. J. Kendall continued.

By Mr. Fowler:

Q. When we adjourned you were speaking of the C. D. Mountain Lumber Company for the year ending December 31, 1906—A. I think I showed that there was a loss for the period ending December 31, 1905 of 59 cents a thousand, and there was a profit for the year 1906 of 61 cents per thousand.

Q. Can you say the total cost of lumber on the car?—A. \$15.40.

Q. Have you another one there?—A. Yes, I will take the E. F. Mountain Lumber Company for the period of twelve months ending December 31, 1905. I think you have the figures before you. The cost of logs delivered at the mill including Provincial and Dominion Crown dues was \$7.78 per thousand.

Q. \$8.88 I have it.—A. That is for 1896. It is \$7.78 for 1895. The mill charges including wages, mill supplies, repairs and general operating charges were \$3.44; the administration charges, office and general salaries, insurance, interest on borrowed money, general expense and selling charges were \$1.90 per thousand, making a total cost of production of \$13.12. The sales realized \$12.05, that was a loss of \$1.07 per thousand feet.

Q. Have you taken these different mills one after the other?—A. No, I have just taken them from my ordinary reports as a matter of fact. I only had them typewritten this morning so as to lay them before the committee. Now, for 1906, you have the figures.

Q. You do not give the capitalization of that company?—A. It is between \$250,000 and \$300,000.

Q. Have you not the exact amount, you are quoting from your documents?—A. —I have not the figures. I forgot the exact amount, but it is between the two amounts I have named. In 1906 the cost of the logs delivered at the mill including Provincial and Dominion Crown dues was \$8.88; the mill charges including wages, mill supplies, repairs and general operating charges were \$4.26, and the administration charges, office and general salaries, insurance, interest on borrowed money, general expenses, and selling charges \$1.46, making the total cost of production \$14.60.

Q. I see there has been a reduction in the administration charges?—A. I think the cut was a little larger and they did not increase their office nor administration charges. Their sales realized \$15.46, and there was a net profit per thousand feet of 86 cents.

By Mr. Herron:

Q. You haven't taken the stumpage?—A. Yes, the stumpage is in that.

By the Chairman:

Q. What was the cut?—A. I think it was 16,000,000—no, pardon me, it was 20,000,000.

By Mr. Fowler:

Q. The cut at this mill?—A. Yes. Now, for the G. H. and I. J. companies. I might say that my assistants are working on the figures for 1906 now, we are just auditing the books and therefore I have only the figures for 1905. I will give you the details for 1905 and I may say that for 1906, as far as I can see from the profit and loss account will show very little better. But I must give you the figures for 1905

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because those are the only facts I have before me. These 'G.H.' and 'I.J.' mills belong to the same company, and the cost of the logs you see there for the 'G. T.' company was \$5.75, the administration charges were \$1.50, the mill charges, manufacturing, \$2.15, piling 50 cents, shipping 50 cents timber dues 50 cents, stumpage 50 cents, making a total of \$11.40 and the average amount realized was \$11.57.

By Mr. Fowler:

Q. How do you account for the price of the manufactured article being so low as this appears?—A. Well, one reason was these people cut a great many ties.

Q. Oh, I see.—A. You see the cut there is 8,000,000 feet, and the 'I.J.' is owned by the same company, they are operating two mills, and you will see there the total cost of production is \$11.70, made up of cost of logs, \$6.10, administrative charges, \$1.50, mill charges, manufacturing, \$2.10, piling 50 cents, shipping 50 cents, timber dues 50 cents, stumpage 50 cents. The amount realized per thousand for lumber was \$12.44. That gave a net profit of 74 cents.

By Mr. Sloan:

Q. That was in 1905?—A. Yes. Now, I have some figures here of coast companies if you care to take them. They are for 1906 only. We will take 'W.' company. The cost of manufacturing the lumber and laying it down in the yard piled was \$5.45, and the average cost of logs delivered at the mill, they bought all their logs, was \$10. I have the schedule per month of the prices realized for the lumber showing that the selling average price for the year was \$17.80 per thousand.

Q. \$17.80?—A. As against a cost of production (not including provincial or Crown dues) of \$15.43. But last year (1905) there was an average loss of \$1 per thousand feet for the whole year.

Q. That is a profit of?—A. Of \$2.37, but there was no depreciation charged there.

Q. There was no depreciation charge?—A. No depreciation, no interest on borrowed money.

Q. What is this the cost then of, manufacturing the lumber?—A. That is the actual operating charges of the mill, the running expenses.

Q. Do you figure anything there for interest on the mill?—A. No, no interest on borrowed money, capital invested or depreciation of plant or machinery. That is the straight manufacturing charge.

Q. Are there any discounts in that?—A. No, they are the actual prices realized.

By Mr. Sloan:

Q. You do not include the provincial dues there?—A. Well, these logs were bought and the logger paid the dues.

Q. They were bought from the loggers?—A. Yes.

Q. That is, \$10, laid down at the mill?—A. Yes.

Q. Last year you say there was a loss of \$1 per thousand on the W. Coast Lumber Company?—A. One dollar per thousand.

The X. Coast Lumber Company for 1905, the cost of logs delivered at the mills was \$6.70, the mill charges, including wages, mill supplies, repairs and general operating charges were \$6.20; the administration charges, office and general salaries, insurance, interest and discount were—there I was unable to distinguish by their bookkeeping, and I put all the charges together, making the total cost of production \$12.90.

By Mr. Sloan:

Q. This company got out their own logs?—A. Yes.

Q. What was the amount of their cut?—A. You see the amount of the cut there is large, 21,000,000 feet.

By Mr. Fowler:

Q. That is for 1905?—A. Yes, in 1906 they found it cheaper to buy logs than to cut owing to the increase in the price, they thought the standing lumber better than the cut, and so they contracted for their logs at \$9.50.

Q. Whereas the others paid \$10?—A. Yes.

Q. Are these mills near each other?—A. Both within 15 miles of Vancouver.

Q. Is there any difference in the cost of the logs?—A. It would depend upon where the logs came from. Last year it was greatly a question of bargain with the logger.

Q. It is nearly all in the towage, therefore?—A. They are cutting logs from 200 miles further now.

Q. It does not make any difference in the cost of the towage?—A. Oh, no. Then for 1906, as you see there, the cost of logs was \$9.50, the administration charges, \$6.57, making the total cost of production, \$16.07. The average selling price was \$19.08, and the approximate cut just over 20,000,000 feet.

Mr. FOWLER.—The minimum is \$12 for logs.

By Mr. Sloan:

Q. Is that \$12 contract with the logger?—A. That is contract with the logger.

Q. Will you produce the statement you have been quoting from?—A. I now produce it.

EXHIBIT No. 36.

G. H. Mountain Lumber Company.

1905.

Cost of logs.. . . .	\$5 75	
Administrative charges.. . . .	1 50	
Mill charges, mfg.. . . .	2 15	
Mill charges, piling.. . . .	50	
Mill charges, shipping.. . . .	50	
Timber dues.. . . .	50	
Stumpage.. . . .	50	
		11 40
Average realized.. . . .		11 57
		17

Lumber cut, 8,471,273 feet.

I. J. Mountain Lumber Company

1905.

Total lumber cut, 11,642,051 feet.

Cost of logs.. . . .	\$6 10	
Administrative charges.. . . .	1 50	
Mill charges, mfg.. . . .	3 10	
Mill charges, piling.. . . .	50	
Mill charges, shipping.. . . .	50	
Timber dues.. . . .	50	
Stumpage.. . . .	50	
		11 70
Amount realized per M. for lumber.. . . .		12 44
		74

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E. F. Mountain Lumber Company.

1905.

	Per M.
Cost of logs delivered at the mill, including Provincial and Dominion Crown dues.. . . .	\$7 78
Mill charges, including wages, mill supplies, repairs and general operating charges.. . . .	3 44
Administration charges, office and general salaries, insurance, interest on borrowed money, general expense and selling charges.. . . .	1 90
	<hr/>
	\$13 12
Cost of production per M. feet.. . . .	\$13 12
Lumber sales.. . . .	12 05
	<hr/>
Loss per M. feet.. . . .	\$ 1 07

C. D. Mountain Lumber Company.

Period of 21 months, ending December 31, 1905.

	Per M.
Cost of logs delivered at the mill, including provincial and Dominion Crown dues.. . . .	\$6 30
Mill charges, including wages, mill supplies, repairs, and general operating charges.. . . .	5 15
Administration charges, office and general salaries, insurance, interest on borrowed money, general expense and selling charges.... .	2 26
	<hr/>
Total cost of production.....	\$13 71
	<hr/>
	Per M.
Lumber sales, after deducting freight charges.. . . .	\$13 12
Balance being loss	0 59
	<hr/>
	\$13 71

Year ending December 31, 1906.

	Per M.
Cost of logs delivered at the mill, including provincial and Dominion Crown dues.. . . .	\$6 68
Mill charges, including wages, mill supplies, repairs, and general operating charges.. . . .	5 53
Administration charges, office and general salaries, insurance, interest on borrowed money, general expense and selling charges.. . . .	3 20
	<hr/>
Total cost of production.....	\$15 40
	<hr/>
	Per M.
Lumber sales, after deducting freight charges.. . . .	\$16 01
Cost of production	15 40
	<hr/>
Balance being profit	0 61

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In arriving at these figures no allowance has been made for depreciation of build-ings, plant and machinery, or for interest on capital invested, nor has any reserve been made to cover bad and doubtful accounts, if any, among the accounts receivable.

The cost of logs includes a stumpage charge for logs cut off the company's own limits of 50 cents per thousand. No reserve has been made to cover the contingent lia-bility of the timber limits held by the company being destroyed, or partially destroyed by fire or otherwise.

E. F. Mountain Lumber Company.

Period of 12 months, ending December 31, 1906.

	Per M.
Cost of logs delivered at the mill, including provincial and Dominion Crown dues.	\$8 88
Mill charges, including wages, mill supplies, repairs, and general operating charges	4 26
Administration charges, office and general salaries, insur- ance, interest on borrowed money, general expense and selling charges	1 46
Total cost of production.	\$14 60
	Per M.
Average value per M. of lumber shipped during year 1906.	\$15 46
Average cost per M. for production.	14 60
Net profit per M. feet	0 86

Memo.—Stumpage taken into account last year (1906) at \$1 per M., which is con-siderably less than this item for the present year. Stumpage is now being held at from \$2 to \$3 per M. feet.

A. B. Mountain Lumber Company.

1905.

Cost of logs delivered at the mill, not including stumpage or Crown dues.	\$ 4 51 per M.
Mill charges, including wages, mill supplies, general operating expenses, loading, &c.	7 19 “
Administration expenses, insurance, interest and dis- count, &c.	2 36 “
Total cost of production.	\$14 06 “
Net sales.	\$13 57 “
Cut.	14,185,710 ft.

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1906.

Cost of logs delivered at the mill not including stumping or Crown dues, 50c...	\$ 5 06	per M.
Mill charges, including wages, mill supplies, general operating expenses, loading, &c...	7 46	"
Administration expenses, insurance, interest and discount, &c...	3 56	"
Total cost of production...	\$16 08	"
Net sales...	\$16 77	"
Cut...	14,637,273	ft.

'X' Coast Lumber Company.

1905.

Cost of logs delivered at mill...	\$ 6 70	per M.
Mill charges, including wages, mill supplies, repairs, and general operating charges...	6 20	"
Administration charges, office and general salaries, insurance, interest and discount, &c...	—	"
Total cost of production...	\$12.90	"
Average selling price...	\$13 52	"
Cut...	21,800,000	ft.

1906.

Cost of logs delivered at the mill (contract)...	\$ 9 50	per M.
Mill charges, including wages, mill supplies, repairs, and general operating charges...	6 57	"
Administration charges, office and general salaries, insurance, interest and discount, &c...	—	"
Total cost of production...	\$16 07	"
Average selling price...	\$19 08	"
Cut (approx.)...	24,000,000	ft.

NOTE.—No depreciation, interest on capital or bad and doubtful debts allowed for. This company is now contracting to purchase logs at a minimum rate of \$12.

'W' Coast Lumber Company.

1906.

Cost of manufacturing lumber and laying it down in the yard piled...	\$ 5 43	Per M.
Average cost of logs delivered at mill (not including provincial or Crown dues)...	10 00	
Cost of production...	\$ 15 43	

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Average Selling Price.

	Per M.
January..	\$ 16 63
February	16 48
March..	16 23
April	17 10
May..	17 58
June	17 61
July..	18 20
August..	18 14
September..	18 80
October..	18 40
November..	19 26
December..	19 20
Average..	\$ 17 80

During the year 1905 there was an average loss of \$1 per thousand feet for the whole year.

No interest on borrowed money, capital invested or depreciation of plant and machinery.

By Mr. Fowler:

Q. Are those all you have?—A. I have a small one somewhere. I have the figures for a small mill here, but I thought it would mislead the committee if I were to put it in, because there is only from June to December. As a matter of fact they had just bought the logs. They could not buy them all the time because they were shut down.

By Mr. Sloan:

Q. What is the cost for logs?—A. The actual cost altogether is \$18.64.

Q. That is for logs and milling?—A. Yes.

By Mr. Fowler:

Q. Is that at the coast?—A. Right at the coast.

By Mr. Sloan:

Q. Is that an export mill or a shipping mill?—A. Shipping on to the prairies.

By Mr. Fowler:

Q. During what months?—A. June to December, 1906.

Q. What did they pay for their logs?—A. The prices varied. As far as I recollect they gave \$9 and as much as \$13. They have a contract now for \$13.50, and they had to go to the other side to get that.

Q. What is their cost of manufacturing?—A. Their average cost is about \$6.

By Mr. Sloan:

Q. What is the total average?—The total for the six months including the logs and operating was \$18.64.

By Mr. Fowler:

Q. You say the cost of manufacturing was \$6. Was that taken from the mill and piled on the cars?—A. This is an exceptional case, that is why I did not want to put it in. If you ask for them I will give you the actual figures.

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By Mr. Sloan:

Q. The cost of logs in the case of this X Lumber Company is \$6.70?—A. You must ask the practical men how they got these figures. I can only give you the facts.

Q. This is taken from the books of the company?—A. Yes, I took it from my papers, just a copy of two wage sheets of a logging firm. I have not the figures here for November, 1904, and December, 1906, and I will put them in if you like. There is a difference; they are paying now, men in the woods—

Q. That is a coast logging camp, is it?—A. No, this is Mountain. They are paying \$2 a day and \$2.25.

By Mr. Fowler:

Q. Is that in 1904?—A. Yes. They are paying as low as \$35 a month. Then in 1906 the wages are \$2.50 and \$2.60. That seems to be the lowest they run to, \$2.50.

By Mr. Sloan:

Q. Have you the monthly salaries here?—A. \$2.60 would be 26 cents an hour, and the foreman used to get \$75; they get \$100 now. The cook got \$60 in one case and \$35 in another.

By Mr. Fowler:

Q. The same concern?—A. Yes, I got it from the books. They are now paying \$80 to both cooks. I mention it because I was asked about the prices that have been paid.

By Mr. Sloan:

Q. Are they Chinese cooks?—A. They don't have Chinese cooks. Would you like that statement in?

Mr. FOWLER.—Certainly.

(Exhibit No. 37, monthly pay-roll of Mountain Lumber Company.)

By Mr. Sloan:

Q. Have you a statement like that showing what the loggers are getting at the coast?—A. I have not. As a matter of fact, I came down very hurriedly; I was wired to come down.

By Mr. Fowler:

Q. What does the cost of manufacturing include? It seems to vary so much with these different mills?—A. Well, it depends, you see, upon where the mill is situated; every mill has a different charge.

Q. Tell us what it includes?—A. You mean the milling charges?

Q. Yes?—A. Well, there would be the actual running of the mill, of the wages in the mill, and the piling, which would be straight from where the log enters the mill right to the piling in the yard.

Q. The log in the pond, as we say?—A. The log in the pond to piling and putting on the car.

Q. Well, that is where your price starts, in the car?—A. Yes.

Mr. McIntyre (Strathcona):

Q. Does that include reduction of capital?—A. In most cases not.

By Mr. Sloan:

Q. That does not include interest on the capital invested either?—A. Oh, no.

By Mr. McIntyre (Perth):

Q. Are there any other sources of income than these items you have shown here, the average selling price of lumber that is manufactured?—A. In some cases there are.

Q. There are other sources of income?—A. There are.

Q. How do you get that?—A. They are shown in the books.

Q. How do you separate the cost?—A. The cost is kept distinct. You are asking about other sources of income. Now some of the mills in the logging camp run a store and they make a profit of it which is kept entirely separate.

Q. But you have other sources of income. You spoke about ties, for instance, a moment ago?—A. This mill I was referring to, they treat ties as lumber of course.

Q. And how do you get the average selling price?—A. Because they were included in the price of that particular mill.

Q. Are there any other sources of income then to the mills, what you might call by-products?—A. Yes. None of these figures include the receipts for laths. That is a sort of by-product.

Q. That is a by-product?—A. Yes.

Q. Rough lumber slabs, are they of any value?—A. In some cases, but most of them are not. The coast mills make a little out of them.

Q. Laths appear to be a source of revenue as a by-product?—A. The laths are practically the only by-product out of the lumber.

By Mr. Sloan:

Q. Some of the mills, I presume, do not manufacture laths at all?—A. I think most of them manufacture laths.

By Mr. McIntyre (Strathcona):

Q. How do you get these figures that you have submitted?—A. As the auditor of accounts.

Q. Where do you compile the figures from?—A. From the books.

Q. What position do you hold?—A. I am auditor.

Q. Auditor for what?—A. For these different mills.

Q. And where did you have access to the books?—A. As I explained, I get them every year.

Q. Yes, I understand that, but the particular figures that are here, where were they taken from?—A. The actual books.

Q. Where were the books at the time you took them?—A. At the mills.

Q. Did you prepare these statistics before you left the mountains?—A. I have had those figures in some cases for one, two and three years. I have got some here for three or four years. We get them out every year.

Q. Practically speaking, you have a financial statement from which you filed these figures?—A. Well, you see, the statistical figures we get are entirely different from the financial figures.

Q. You are in a position to swear that these figures are absolutely correct?—A. I swear to these figures.

By Mr. McIntyre (Perth):

Q. In the case of logs delivered at the mill in some cases you said the cost appeared high because they were bought direct from the loggers?—A. Yes.

Q. Do you allow nothing for the value of these logs, in the case where the mill owns them? Is it simply the value you put in for cutting them?—A. Well, you have noticed the word 'stumping.'

Q. And stumping is the amount you allow for the presumed value as the timber stands in the forest?—A. The presumed value of cutting the standing timber.

Q. Well, now, as you gave it here, I am not questioning the correctness of the figures, but if we take it as you put it, is there anything in it that would mislead us? I have asked you with regard to the by-products, your figures might be perfectly correct, and yet some such item as that not shown here might mislead us. Do you think these figures may be taken without looking for any such thing as by-product or profit from any other source?—A. As I told you, the only by-product that I am aware of is the sale of laths, and as to the profit made they run about the same.

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Q. In any other way would these figures be misleading?—A. No.

Q. Do all these mills run stores?—A. No, no; I do not know any Coast mills that run stores, but some of the Mountain mills run them, and some do not. That is why I did not put in the figures, it would be misleading, some make a profit and some do not.

Q. How many mountain mills run stores?—A. I should think about, probably, one-half the Mountain men run stores. You are asking me about other companies, one operates a steamer and makes a slight profit on that.

Q. What I want to ask you is as to whether this is correct in regard to the figures?—A. Yes.

By Mr. Knowles:

Q. What about slabs, is there no profit in them?—A. Oh, no.

Q. In cities would there be no profit?—A. Most of the mills burn them up.

Q. Do you know anything about the prices charged various purchasers by these companies, that is, the price charged to railway contractors, is that better than the price to the ordinary retail yard; have you any information with regard to that?—A. I am afraid that I cannot explain that, no.

Q. Have you compared those prices with the price list of the Mountain dealers to see if they average all right?—A. You would have some difficulty there because of the rates, you would have some with a thirty or forty cent rate, or if they are close to Calgary they may get an 18 cent rate. These are the figures taken as to the prices of lumber that is the actual price to the mill.

By Mr. McIntyre (Strathcona):

Q. In some cases you have not included the cost of the stumpage?—A. In some cases it is not included.

By Mr. Sloan:

Q. As an auditor it is a well known fact to you that many of these mills have been running at a loss for years?—A. Well, 1903, if I remember aright was a fair year; 1904 was a poor year, and 1905 was a poor year.

Q. Taking it even previous to that time, was it not within your knowledge at all?—A. I could not speak before 1903.

By Mr. McIntyre (Perth):

Q. How are these limits held out there? Who owns the land with the forests? Is the right granted by the provincial or Dominion governments?—A. They get leases from the provincial government in the interior, I think it is, they pay \$115 a limit, and on the coast \$140, and in addition to that a stumpage of 50 cents.

By Mr. Fowler:

Q. This A. B. mill for 1905, I would like to refer you to that. The figures for 1905 there seems to be—the raw log only cost \$4.51 per thousand and the mill charges are \$7.19 on 14,000,000 cut?—A. \$7.19.

Q. Yes, and in 1906 it cost them \$7.46. How could it possibly cost them that much?—A. Well, I can only state to you definitely that it did do so.

By Mr. Schaffner:

Q. Here is E. F. only cost \$4.26 for mill charges.

The CHAIRMAN.—The capacity would of course make some difference.

By Mr. Knowles:

Q. I see that E. F. is only 50 cents more than one-half of A. B. in 1905, why is that?—A. I am afraid I cannot tell you why.

Q. These charges are just taken from the books?—A. These are the actual figures.

By Mr. Fowler :

Q. Would it be possible in some cases that manufacturers would charge to logs what they should charge to manufacturing and vice versa ?—A. No, I think as a general rule the straight cost of the lumber starts where the log enters the mill.

By the Chairman :

Q. Can you give any reason why the rate should vary one-half ?—A. No.

By Mr. Sloan :

Q. In this A. B. mill you have the cost of logs at \$4.51. Would it not be possible that some of the charges they have in there grew out of getting those logs in, would not there be some store charges in this item ?—A. No, that is a straight operating charge, but that \$4.51 I know, in that particular case, was probably low because it is close to the river.

Q. Were these mills operating the whole year, it may be possible that they were shut down and that they had to keep some of their employees, sawyers and engineers ?—A. This mill was not operating for three months.

By Mr. Fowler :

Q. Was it a band mill?—A. Both band and saw-mill.

By Mr. Sloan :

Q. Do you know the full capacity of this mill ?—A. I could not tell you.

By Mr. Fowler :

Q. All the mills shut down for a certain time ?—A. This mill was shut down, I know for three months.

Q. What was the cut of the E. F. mill?—A. I think it was 20,000,000.

Q. What makes you think it was ?—A. Because I know the mill.

Q. Why was it not given in this memorandum ?—A. I should have put it in, but did not put it down.

Q. Might there not be some clerical errors, why should the cost be \$4 in one case and \$7 in another ?—A. No, these are the actual figures.

Q. Taken over a year afterwards?—A. Yes.

Q. It is strange there should be such a great difference. Is it not a case of bad management in the one case and good in the other ?—A. I would not like to reflect upon the management of any mill.

Q. You have a right to reflect on them if it is a fact ?—A. You might ask a practical man why the cost should vary, I am only giving you the facts.

By Mr. Fowler :

Q. We will ask the lumberman himself as to that particular amount?—A. You will be able to get the information in that way.

By Mr. Knowles :

Q. Will be able to get information before we are through as to this discrepancy?—A. I feel pretty sure of it.

Q. You are sure that in some items the manufacturers have not charged to logs what they should charge to manufacturing?—A. The mills keep a very close tally on the operating expenses.

Q. That certainly is not an explanation?—A. Oh, no.

Q. Have you any record of the laths that were cut at these mills?—A. Not here.

Q. They all cut laths, do they not?—A. I think most of them cut laths.

Q. What is your idea as to how much profit there would be in connection with the laths?—A. I have a distinct recollection of one company that realized during a year, \$6,000, and the actual cost of those laths was just over \$4,000. They made \$2,000 out of the laths as a by-product.

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Q. Just out of the laths?—A. Yes.

Q. From your knowledge as auditor for these mills, would that be an average cost?
—A. I think that would be a fair cost.

Q. Out of how many mills' cut would that be?—A. Realized in dollars and cents?

Q. The cut of how many mills?—A. I could not tell you. I gave you what I remembered of the dollars and cents. You mean the cut of the mill?

Q. Yes?—A. This mill was cutting about 20,000,000 feet.

By Mr. Herron:

Q. Was that the A. B. mill?—A. Yes, the A. B.

Q. Can you tell us what the actual profits of that mill were in the last twelve months?—A. For the mill?

Q. Yes, the profit of the business?—A. Yes, their actual profit was \$41,000.

By Mr. Knowles:

Q. What was the capital, did you say?—A. \$1,000,000.

Q. How much paid up?—A. \$1,000,000.

Q. \$1,000,000 paid up?—A. Yes.

Q. How long has the company been incorporated?—A. About 4 years.

Q. Do you know what they bought the stock at when they went in?—A. You mean the price they paid?

Q. Yes?—A. They paid a dollar. There was no treasury business, they paid dollar for dollar for stock.

Q. Not only subscribed but paid up?—A. Subscribed and paid up.

By Mr. Fowler:

Q. What has been the total profit in the case of the W. Coast mill?—A. The W., I think their figures, as far as I recollect—I have no balance sheet with me—were about \$25,000.

Q. That was their profits?—A. Yes.

Q. On paid-up capital?—A. Their capital, I think, is between \$400,000 and \$500,000.

Q. That would be about 6 per cent?—A. Yes.

Q. Now take the X. Coast mill. What are the profits?—A. They made \$70,000.

Q. \$70,000?—A. Yes.

Q. And the paid-up capital is what?—A. The paid-up capital is at present \$750,000.

Q. \$750,000?—A. Yes.

Q. They made 10 per cent?—A. They did not make 10 per cent, because there was no depreciation there you see. Out of that \$70,000 they have to get to allow for depreciation.

Q. How much should be allowed for depreciation?—A. I should think they should allow \$25,000.

Q. That would give them \$54,000?—A. Yes.

Q. You think the depreciation would be that much?—A. Yes.

Q. Take the C. D. Company?—A. Well, the C. D. is one of the unfortunate mills that has not made any profit at all.

By Mr. Sloan:

Q. These are all for 1906?—A. Yes.

By Mr. Fowler:

Q. No profit in 1906?—A. That would be more than absorbed by depreciation and bad debts.

Q. Take the E. F. in 1906?—A. Well, as far as I recollect the profits made were between \$30,000 and \$40,000.

Q. On a capital of how much?—A. Their capital, I think, I gave as between \$250,000 and \$300,000.

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Q. Did they allow for depreciation and everything there?—A. No, but they charged all the repairs, and the repairs were pretty heavy.

Q. They charged a dollar for the stock?—A. Yes.

By Mr. Herron:

Q. You are not very definite? Have you got the figures there? If so, give them instead of saying you think about \$30,000 or \$40,000 profit?—A. I said the capital was between \$250,000 and \$300,000.

By Mr. Knowles:

Q. What is it? You don't know?—A. I would not be positive; it is somewhere about \$280,000. I know it was between \$250,000 and \$300,000.

Q. You have not got the figures?—A. No.

By Mr. Herron:

Q. You are guessing at that?—A. I know it is between those figures.

Q. You have the figures?—A. I have the figures in Vancouver.

By Mr. Fowler:

Q. Take G. H. and give the capital and profit of 1906?—A. Well, G. H., it would be difficult to say what their capital is. Quite recently there has been an addition, and they have increased it. They are working at this time on about half a million. They were supplied lumber. They did not operate; they did not think it worth while. They had a lot of standing timber, but they did not think it was worth while to cut it up.

Q. What was the capital?—A. I could not say, but I give the actual figures here. This is I. J. We have not finished 1906 yet.

By Mr. McIntyre (Perth):

Q. When you speak of capital, what would be the investment in the mill, what capital did go into the mill?—A. No part of it except limits.

By Mr. Sloan:

Q. You are giving us the figures of 1906. Have you any figures for 1904 and 1905?—A. I have given you the 1905 figures. But I mean the profit and loss account?—A. I could not give you the figures.

Q. You have only given them approximately?—A. Well, what I was instructed to bring down.

Q. In all cases you have shown here, practically 1905, the mills were operating under a loss?—A. Yes, I think they did in 1904.

Q. In 1904, you think the same condition existed, that the mills operated at a loss?—A. Yes.

By Mr. Herron:

Q. Take A. B. for example, with a million dollars of capital?—A. Yes?

Q. It has been incorporated three or four years?—A. Yes.

Q. When they subscribed, was it largely by a welding of their interests they contributed to the capital?—A. No, there was a purchase of the mill and timber limit.

Q. Did the men who own it come in and get the stock?—A. It was actually bought out.

Q. It was paid up in cash?—A. It was new blood entirely, or new capital.

Q. Do you mean to say that a million dollars in cold cash, three or four years ago, was put into the establishment?—A. Yes.

Q. \$1,000,000?—A. Yes.

Q. But A. B. does not hold a dozen limits. What is the million dollars for?—A. Yes, it owns a dozen limits.

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Q. In the statement they don't get the logs from their own limits?—A. Many of the millmen find it is better to retain their limits than to cut them.

Mr. FOWLER.—In 1905 A. B. cut their own logs.

By Mr. Knowles:

Q. What are the logs worth? Can you give us any idea?—A. I have figured it out that in 1905 A. B. Company lost \$14,000.

Q. Now, what would you add to that? What would be the depreciation because of what they took off in stumpage?—A. About a dollar a thousand.

Q. That would be another \$14,000, would it not?—A. \$1 per thousand.

By Mr. Fowler:

Q. Would not \$1 per thousand be a low rate considering you are taking the lumber that is handy?—A. Probably it would, I am not arguing, I can only give you the actual figures I find.

By Mr. Sloan:

Q. Do you know anything about the value of timber limits at all?—A. Well, they vary so much all over the country that one can hardly ascertain.

Q. Have they been steadily increasing in value?—A. Yes.

By Mr. McIntyre (Perth):

Q. Were you charging interest on capital which is tied up in timber limits not in use?—A. Yes.

Q. Is it justifiable then to charge them up then against the timber?—A. I think it is.

Q. Supposing you have doubled the timber limits, as a matter of speculation, would you add the interest to the cost of this lumber?—A. No, the only possible charge would be where they borrow from the bank, you could not separate the interest from borrowed capital.

Q. But if the timber limit that the company holds is probably five times as large as it needs for the uses of that business would you be justified in charging up that interest?—A. I do not know of any case where it is. If you ask me a theoretical question I should say no.

Q. You speak as if large limits were being held in that way and that is why I ask the question?—A. Oh, there are many of them that are conserving their timber limits for use in the next twenty-five years.

Q. You are charging up on the present output of lumber interest on that investment?—A. No, you are not, because there is no charge there for interest on the capital of the company.

By Mr. Sloan:

Q. In no case?—A. In no case is it charged.

Q. They do not pay any dividends?—A. They pay no dividends.

Q. What does it cost to hold these limits?—A. \$115 in the interior and \$140 on the coast.

By Mr. Fowler:

Q. That is charged to operating?—A. No, that is charged to capital. It is for the whole limit, of one mile, a limit is one mile.

By Mr. Knowles:

Q. You say you do not have to go to the books for these figures, you have them for year to year?—A. Yes.

Q. Did you mean in your own office?—A. Yes, in my own office.

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Q. Why did you not bring them when you have them under your own control?—
A. Of course I have them, but I did not know that the figures were required here.

Q. You went and made a memorandum and did not bring the originals which you control?—A. That is true.

Q. Were you not subpoenaed to bring all the books with you?—A. No, I was only subpoenaed this morning.

Q. You did not get any instructions by wire as to the books?—A. No, the only wire I got was to come down and give evidence.

By Mr. Fowler :

Q. Supposing a company built a mill at a cost of \$150,000 to \$200,000, would you consider limits to last that mill for twenty-five years too great an amount to carry?—

A. No, because these western mills know that these limits may pass into the hands of capitalists who may hold the mills up for increased prices.

Q. Would you consider it was fair or unfair for the company to have a total amount expended on limits as well as the mill—supposing that twenty-five-year limits cost them \$250,000 and the mill \$250,000, do you think it would be fair or would it be unfair for them to have a profit on the whole half million?—A. No, I certainly should not think it would, because of the danger of loss from fire.

Q. There is always a danger of loss by fire?—A. It is a big danger of loss by fire.

By Mr. Knowles :

Q. You know nothing of yourself, it is simply what you see in the books which may be right or wrong?—A. I say the books are not wrong.

Q. You can swear to the correctness of the figures?—A. Absolutely.

Q. That that money was disbursed?—A. Yes.

Q. In a bona fide manner?—A. Yes.

Q. How would you know?—A. Because it was our duty to ascertain.

Q. You saw the vouchers?—A. We saw the charges and all accounts and vouchers.

By Mr. Knowles :

Q. For some of these mills—you have given us information about some of them—some of them you have brought the reports, and some you have not. Can you give us any classification as to the different mills, some you have given us information concerning, and others, although you have the information in your possession you have not given us. You say the reason was some of them did not wish you to do so?—A. Exactly.

Q. There was no classification of them at all?—A. No, I simply brought those for which I was at liberty to disclose the figures.

Q. There was no classification as between those mills which were profitable and those which were not?—A. Oh, no, I have not brought the bad ones, these are fair figures.

Q. These are average reports?—A. Fair average reports.

Q. For what reason do you suppose some consented to your giving us the information and some did not?—A. I could not say.

By Mr. Fowler :

Q. You are a chartered accountant?—A. Yes, I am a chartered accountant for England and also for British Columbia. I am examiner, as a matter of fact, for British Columbia.

By Mr. Knowles :

Q. What is the reason some mills allowed you to give us information concerning them and others did not?—A. You know that people do not like others to see into their own business, even among their own competitors.

Q. Did you tell them their identity would not be disclosed?—A. I did.

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Q. Well, there would be nobody seeing into their business?—A. There would be a danger.

By Mr. Herron:

Q. How are you employed by these gentlemen for the purpose of auditing? Are you employed by each milling company?—A. We are employed by the shareholders.

Q. Are you employed through the secretary of this milling association?—A. Oh, dear, no.

Q. You are employed then separately by each individual company?—A. Yes, we are employed by the shareholders of each distinct mill.

By Mr. Fowler:

Q. You are employed by the shareholders at the general meeting on a vote?—A. Exactly.

By Mr. Sloan:

Q. You are not auditor for all the mills?—A. Oh, no.

By Mr. Knowles:

Q. I understood you are auditor for 13 mills?—A. I am auditor for 13 mills.

Q. You are not auditor for all these mills?—A. Oh, no.

Q. Have you any stock?—A. My money is not locked up in lumber.

By Mr. Sloan:

Q. Do you know Mr. Wells, secretary of the Mountain Mills?—A. Yes.

Q. How long have you known him?—A. Probably 12 months.

By Mr. McIntyre (Perth):

Q. Are the salaries paid charged up here correctly? There are no abnormal salaries?—A. No, they are just the actual salaries.

Q. Are they unusually large or reasonably large?—A. They are reasonably large. I do not think I am disclosing any secret when I say the superintendents get \$200 or \$250.

Q. Are the higher officials paid large amounts, the presidents or secretaries?—A. No, the directors' salaries would not come in here, they are voted by the shareholders.

Q. There are no abnormal salaries?—A. No directors' salaries.

By Mr. Fowler:

Q. The directors' salaries come out of profits?—A. When there are any.

Q. They are not charged here?—A. No.

Q. What you do in your audit is to take the vouchers?—A. Yes.

Q. Showing whether they paid \$100 too much for a team of horses or \$10 too much for feed?—A. It would not affect us. We do not criticise the management, we are confined to facts.

Q. It is not like a government audit?—A. Oh, no.

By Mr. McIntyre (Perth):

Q. The correct charges were in your book of this outlay?—A. Yes.

Q. Are there any rebates from railway companies on freights?—A. No.

Q. Nothing of that sort?—A. No, these are straight payments.

Q. So that, as the books show in these cases, the manufacturing of lumber does not show a particularly prosperous condition in these recent years?—A. Certainly not, they have been bucking it very hard. I was just going to ask the committee to certify me as an expert witness, so that I may get proper allowances.

Q. Is there anything you feel you should say?—A. It is simply a suggestion as to the limits. I had probably better leave it to the committee. I think perhaps the

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committee might find some way of providing that the mills should have a lease of limits that they need for twenty-five years. Jumpers are getting hold of these limits.

By Mr. McIntyre (Perth):

Q. Your mill limits are under the British Columbia government. are they not?—
A. Except within the area of the railway belt.

Q. And the bulk of the timber cut there is on limits obtained from the British Columbia government?—A. Yes.

By Mr. Sloan:

Q. Did you say that these limits are passing into the hands of speculators?—A. Greatly.

Q. What do they do with them?—A. They have been holding them for enhanced profits.

Q. What do they sell at per acre?—A. Well, it varies; I was sent down the particulars of one this morning, where they were asking \$7.50 per acre. It will depend entirely upon the location.

Q. You know where the jumpers or speculators sold timber lands as high as \$7.50 per acre; you know that, do you?—A. Yes.

Witness discharged.

Committee adjourned.

TUESDAY, March 19, 1907.

The committee met at 10.30 a.m., Mr. Greenway, chairman, presiding.

Mr. GEO. P. WELLS, of Nelson, B.C., sworn.

By Mr. Lancaster:

Q. Where do you live?—A. I live in Nelson, B.C.

Q. And what is your occupation?—A. I am secretary of the Mountain Lumber Manufacturers' Association.

Q. Is that the business you live by?—A. Yes, sir, at present.

Q. You are paid a salary as such?—A. Yes, sir.

Q. A living salary as such?—A. Yes, sir.

Q. You do no other work?—A. No, sir.

Q. How long has that association been in existence?—A. Well, I may say that the association has been in existence since March, 1902, but it had two distinct periods. Previous to the fall of 1905 it was practically an association in name only. It was practically defunct although its organization was never formally disbanded.

Q. You say it has existed since 1902?—A. Yes.

Q. But really was not operative until 1905?—A. It was operative to a certain extent for some years, but was doing practically nothing—its operation was not carried to any extent at all—and in 1905 it was re-organized. That was when I became secretary of the association.

Q. When did it become extinct? How long was it after it was organized in 1902?—A. There was no set time. It just ran along with nobody taking any interest in it—that is the fact.

Q. I think you said it was active originally in 1902?—A. Yes.

Q. How long did that activity exist?—A. It existed to a more or less extent right along, but the activity was practically nothing in 1904 or 1905.

Q. Then I misunderstood you. I thought you said it was active and then became extinct?—A. I said it was practical

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Q. Let me understand you. Do you mean that to apply to the whole time of its existence or that it was never active until 1905 ?—A. No, it was active to a certain extent. It was a smaller association and many of the members who have belonged to it since it was re-organized were not connected with it in those days. It was a small association and the activity was never very great.

Q. Were you secretary of it then ?—A. No, sir.

Q. Not until 1905 ?—A. No, sir.

Q. Who was the secretary that preceded you ?—A. A Mr. Gurd of Cranbrook.

Q. Was he a salaried secretary ?—A. He had a nominal salary. It was very small. I think his salary started with \$25 a month; I am not positive about that.

Q. Then the association drifted along as it were until 1905 when it made itself active ?—A. Yes, sir.

Q. And employed you at a substantial salary ?—A. Exactly. The former secretary was not a lumberman at all.

Q. You are a practical lumberman ?—A. I have been, yes sir.

Q. You have had experience in that business I suppose ?—A. Yes sir, for twenty years.

Q. As a lumber producer ?—A. Yes, sir.

Q. What are the objects of your association ? What was the activity that you spoke of directed towards ?—A. In reply to that question I will read a statement if the committee will permit me. I anticipated that question more or less, and made a few notes of the work which we carry on, and if you will permit me I will read these notes.

Q. Yes, if they are the facts ?—A. It is just a sketch of our actual work.

Q. We want to get the facts stated in your own way ?—A. I anticipated this the other day and made these notes as soon as I came here. These are the purposes and objects of the Mountain Lumber Manufacturers' Association (reads).—

EXHIBIT No. 38.

The primary object of the association is the constant improving of the condition of the lumber industry in British Columbia and the Northwest by means of all legitimate business methods. In endeavouring to accomplish this purpose, through the office of the association, I may mention some of the work carried on there.

The association office is largely a bureau of information both for our members and the public, where any information pertaining to the lumber business may be had, and will be obtained through the different sources with which we are in touch. Many intending investors in timber, for instance, call upon us and are supplied with particulars, maps, &c., which it would otherwise, to say the least be very difficult to obtain at all.

We collect and disseminate information of various kinds by circular which is of great interest and importance to every lumber manufacturer, such as statistics, from which may be gathered advice as to the best manner in which to cut their stock; crop reports and general news.

Information is sought by us as to sources of supply for produce, horses, hay, oats, &c., and our members are advised, resulting in many sales by the settler on the prairie.

The supply of labour has been made a special feature. We have had long standing advertisements in newspapers from coast to coast advising all unemployed labour to apply to our office for information as to positions in British Columbia lumber mills and camps, and have placed hundreds of men, both skilled and ordinary labour in profitable employment.

A great many letters are received daily from every section of the country and are replied to.

We have different sources of information relative to the varying financial standing of retail dealers, and our quick advice on such matters has more than once saved a firm from serious loss.

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We look after the interests of shippers in railway matters, rates, car supply, &c., and to demonstrate the usefulness of having ready information at hand the latter subject furnishes one. The car supply has been extremely bad this winter and the railway companies were importuned on all sides to furnish empties. The company's agent called upon me to ask if it would be possible to ascertain approximately the number of cars necessary for the lumber trade this season, and I was able in fifteen minutes to give him detailed particulars showing the number of cars required for each division for the season and also right down to a daily basis.

Through our office we are able to voice the requests, appeals and protests of the entire industry in such matters as government measures like protection against forest fires; tariff matters such as the late imposition of a duty on saw blanks which adds some fifty thousand dollars annually to our cost; and constant efforts to have a duty placed upon common lumber entering the country from the United States.

A standard system of grading lumber has been established and books of rules published by the association, by which the purchaser is enabled to know exactly what he is buying. Previous to this the grade furnished by one mill would differ entirely from that of another for supposedly the same material resulting in confusion and loss to both buyer and seller.

Standard patterns and sizes are also being established so that the flooring, siding, or ceiling, &c., of each will be similar, thus avoiding a purchaser having several lots of material in his yard which would not match and could not be used on the same job.

An insurance department is conducted to protect the members against loss through accidents of their employees.

Prices are equalized and made stable so far as possible by educating the producers that it is to their benefit as well as to the welfare of the trade to have them so.

No concession or allowance of any kind is recognized by the association as being allowable to large purchasers, thus preventing discrimination and the consequent elimination of the smaller dealers.

A sales department is conducted by our office and arose naturally through the extraordinary demand recently and now existing. It was found that many dealers could not obtain their shipments and lost precious time in ascertaining just where their requirements could be filled. We have current stock sheets from the different mills on file in the office from which we know at a glance what lines can be filled at one mill and which another might be entirely short on. We advise purchasers to send in orders through our office, and we place them immediately with the mill best adapted to handle them promptly, charging a selling commission to the mill and nothing to the buyer. The proceeds of these commissions are used to employ inspectors to investigate disputes and adjust them when arising through grades or shortages.

The sales feature of the association is now recognized as being of excellent service in expediting shipments, and at the present time owing to the great scarcity of lumber it is in many cases the only medium through which the dealer can obtain what he wants at all.

Q. You will hand that document in?—A. I have had a dozen copies made for the convenience of members of the committee.

Q. Exactly the same as you read?—A. Exactly the same, sir.

Q. Does that contain all the objects of the Association?—A. I think it covers all that I can think of.

Q. Then it would be right to say it covers all the important features?—A. All the important features. There are I suppose other details that we took up that I cannot think of.

Q. Simple matters that you did not think of?—A. Yes, exactly.

Q. Therefore they are not very important?—A. Not very important. What I have read covers the essential features of the work of the association.

Q. Have you a constitution and by-laws for your association?—A. In regard to that I may say that when I was appointed

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organization in 1905 I never thought—and I think that most of the members of the association as it exists today and since then, did not either—there was any constitution or by-laws in effect, but it was drawn to my attention in November or December last winter, that there were old by-laws which were instituted at the commencement of the original association and which did not apply to our actual practices since I have been there. They were not utilized at all, and I was instructed at a meeting in January to prepare a constitution and by-laws, in keeping with our actual work which I have done.

Q. Which you have done?—A. Yes.

Q. Have you them printed?—A. I have them type-written. (Documents produced.) These were written on January 10 at the last meeting that we had.

EXHIBIT No. 39.

CONSTITUTION AND BY-LAWS OF THE MOUNTAIN LUMBER MANUFACTURERS' ASSOCIATION.

CONSTITUTION.

ARTICLE I.

Title and Objects.—The title of the association shall be 'The Mountain Lumber Manufacturers' Association,' and it shall have for its object the improving of the condition of the lumber industry of the Northwest Territories and British Columbia, by all legitimate means, and the carrying out of such measures as its members may deem to be for their general benefit.

ARTICLE II.

Qualification For Membership.—Any person, firm, or corporation, who, or which may be regularly engaged in the manufacture of lumber or kindred products, in a county of Kootenay and Yale in the Province of British Columbia, and the Province of Alberta may become members of this Association upon signifying their desire in that respect to the secretary of the association in writing.

ARTICLE III.

Members Having More Than One Mill.—Any firm, individual or corporation operating more than one mill in the districts above mentioned, shall have one vote for each mill or separate plant operated; but all members of the firm and officers of the corporation shall have the right to attend the meetings of the association.

ARTICLE IV.

Officers.—The officers of this association shall be a president, vice-president, secretary-treasurer, and a general committee consisting of the aforesaid officers, and four others, all of whom shall be elected at the annual meeting of the association, to serve one year or until their successors have been appointed, and such officers shall be chosen from the duly accredited representatives of the members.

ARTICLE V.

Duties of Officers.—It shall be the duty of the president, or in his absence the vice-president, to preside at all meetings of the association and of the general committee, and in the absence of both, the members present shall appoint one of their number as presiding officer.

ARTICLE VI.

Duties of Secretary-Treasurer.—The secretary-treasurer shall keep the correct record of all business done at all meetings. He shall keep a strict record of all monies of the association, which shall be deposited in such bank as may be decided upon by the general committee, to the credit of the association, pay out the same by cheque signed by him as secretary-treasurer of the association, and shall take proper

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receipts for all such disbursements. He shall submit statement of same to the annual meeting of the association and at such other times at such statement may be required. He shall also perform any other duties which may be prescribed by the association, or general committee.

ARTICLE VII.

Duties of Committee.—It shall be the duty of the general committee to assist the secretary in decisions affecting the welfare of the association and the lumber industry within its field of action when time does not permit of calling a regular or special meeting of the association for the discussion of same, in which case they are empowered to act for the association as a whole.

ARTICLE VIII.

Grades and Prices.—All lumber sold by the members from their respective saw-mills shall be invoiced at its bona fide grade, according to the grading rules published by this association, and at the price required by its dimensions and description.

ARTICLE IX.

Dues.—The money required for conducting and carrying on the work of this association shall be obtained by assessing the members of same, and amount per thousand feet upon the respective outputs of their mills, said amount to be fixed for the ensuing year at each annual meeting and to be paid in to the secretary-treasurer quarterly. In the event of additional funds being required, special assessments may be made by direction of the general committee or by the vote of the association in regular meeting.

ARTICLE X.

A Member.—The term 'member' wherever the term appears in this constitution shall include the several persons, firms or corporations who may become members of this association.

ARTICLE XI.

Amendments.—No amendment shall be made to the constitution or by-laws except at general or special meeting of the association, and by a two-thirds majority of the members enrolled.

BY-LAWS.

Meetings.—The annual general meeting of the association shall be held at Nelson, B.C., at a date and hour in January each year, to be arranged by the secretary. This meeting shall be for the purpose of electing officers for the ensuing year, receiving the secretary-treasurer's annual statement and such other annual reports as may be found necessary or expedient, and for general business.

All notices of meetings of the association shall be in writing, and shall be sent by the secretary-treasurer to the business of each member, and posted not less than fifteen days prior to the date of such meeting, and all notices of meetings called for the transaction of special business shall state in general terms the purposes for which the meeting was called.

Quorum.—At any regularly called meeting, ten members of the association shall constitute a quorum, for the transaction of business, either in person or by properly attested proxy in favour of any firm or officer of the association who is present at the meeting. Four members of the general committee shall constitute a quorum.

Majority vote.—A majority vote of members present or represented by proxy shall be necessary for the passing of measures; but amendments to the constitution shall only be made as provided therein.

By Mr. McIntyre (Strathcona):

Q. Have the constitution and by-laws been adopted by the association?—A. We have not had a meeting yet and there has been no opportunity to do so.

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By Mr. Lancaster:

Q. And you say they were found to be necessary?—A. As I say we have not been operating under any constitution or by-laws. There were the original constitution and by-laws of the association of which I myself was not aware at all.

Q. Would you not consider you were acting under the old constitution and by-laws until new ones were substituted?—A. No, sir, we acted under no constitution, so far as I was aware. That is why they were not enforced at all.

Q. A constitution and by-laws were in existence which were not acted upon?—A. Exactly.

Q. Which were ignored?—A. That is the position of affairs exactly.

Q. Then will you tell me what did govern until last January?—A. What governed was simply what I did and I did the best I deemed possible. It was left personally to myself in conducting the affairs of the association together with the advice I would get from members of the association. Individually I was simply put there to put the business of the association on broad business lines, looking after the welfare of the industry but operating under no special rules or regulations.

Q. There were no rules or regulations governing you?—A. No, sir.

Q. Each matter would be dealt with—A. Accordingly as I thought best and with the advice of and assistance of the different members. If I had a matter that I needed to know what was best to do I would consult with them.

Q. Was there a board of directors until last January —A. There was a general committee but no directors. It is not an organized institution; I mean there is no board of directors like there is in an incorporated company.

Q. It is not an incorporated company, but still it had a committee?—A. Well, we had a president and a vice-president, and a general committee.

Q. Until last January?—A. Well, we have that still.

Q. Yes, I know, but you had that when you had no other rules?—A. Yes, we have had a general committee.

Q. How large was that general committee?—A. It consists of five members.

Q. What would you do in case of any matter before last January, or even now, because the by-laws are not yet in force—they are not promulgated?—A. No.

Q. Or adopted?—A. They will be adopted at the next meeting.

Q. But up to now what would you do if an important matter arose? How were matters dealt with without some rule as to how you would proceed?—A. Such as what, Mr. Lancaster? A matter such as what for instance? As I say I used my personal discretion and judgment.

Q. The matter would come to you and you would do what you thought best about it?—A. Exactly.

Q. As to whether it was necessary to call this committee together?—A. Yes, exactly.

Q. If you thought it was wise you would do that?—A. Yes.

Q. How was your salary arranged for, for example, or other expenditures of the association?—A. It was arranged by a simple motion at one of the meetings. They passed a resolution to the effect that my salary be so much.

Q. Who would vote for that?—A. Whatever members were present at the meeting.

Q. What would entitle a person to be a member without a constitution or by-laws?—A. He simply expressed a desire to be a member, that is all.

Q. Was the membership limited to anyone? Could a lawyer or a doctor be a member?—A. A lumber manufacturer.

Q. Just simply a lumber manufacturer?—A. Exactly.

Q. If he expressed his desire to you to join the association he would as a matter of course—A. Be enrolled as a member. In fact that was all that was necessary for anybody to do—to signify his desire to become a member and we enrolled him on the membership. That was all.

Q. Is that to be changed by the new by-laws?—A. No, sir I don't think so.

Q. You are simply leaving it that way?—A. Yes.

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Q. What have you done in regard to the object of your association since 1905? What important matters have you dealt with in regard to many of the objects which you have enumerated?—A. I have carried on all that work that is enumerated in the sketch that I have just read. I have carried on very large work on every one of these subjects.

Q. Would you make reports from time to time to anybody?—A. To the members? Yes, sir.

Q. What would you send to the members, summaries of proceedings?—A. Summaries of proceedings, yes, and many items of news, statistics and so on. I would send out circulars.

Q. Was one of your objects the establishment of a retail association to control retail prices?—A. No, sir.

Q. Was that not one of your objects?—A. To control retail prices?

Q. The establishment of a retail association to control retail prices in order to help the lumber business all through?—A. So that the manufacturers would control retail prices?

Q. So that the retailers would control them and therefore better prices would be got all the way down?—A. I presume it has been the desire of the manufacturers to have prices in the retail business upon as stable a foundation as possible. Anything like that tends to help the manufacturers' business.

Q. Is this document, which I will hand to you, genuine and was it set out by you? It bears your name at the foot of it?—A. Yes, that is genuine I should say. It looks very much like one of mine, I presume it is.

EXHIBIT No. 40.

Summary of proceedings at meeting of the Mountain Lumber Manufacturers' Association, held at Stratheona Hotel, Nelson, B.C., January 8, 1906. Meeting called to order 10 a.m. sharp, and President F. W. Jones in the chair.

There were present:

F. W. Jones, representing Columbia River Lumber Co.,
 Jos. Genelle, representing Yale Columbia Lumber Co.
 G. J. Billings, representing Yale Columbia Lumber Co.
 L. M. Proctor, representing Fernie Lumber Co.
 A. McDougall, representing Fernie Lumber Co.
 B. Benedict, representing Mayook Lumber Co.
 C. D. McNabb, representing Standard Lumber Co.
 A. Leitch, representing East Kootenay Lumber Co.
 I. C. Schernerhorn, representing the East Kootenay Lumber Co.
 A. F. Dudgeon, representing Bowman Lumber Co.
 M. B. King, representing King Lumber Mills.
 Dr. King, representing King Lumber Mills.
 T. A. Ludgate, representing Big Bend Lumber Co.
 C. F. Lindmark, representing Revelstoke Lumber Co.
 G. W. Orchard, representing Porto Rico Lumber Co.
 W. C. P. Koch, representing Koch Lumber Co.
 H. C. Lindsay, representing Crow's Nest Pass Lumber Co.
 C. B. Archibald, representing Kootenay Shingle Co.
 F. C. Dubois, representing Elk Lumber Co.
 A. L. Boynton, representing Elk Lumber Co.
 D. R. Yates, representing Otis Staples Lumber Co.
 A. F. Krapfel, representing North Star Lumber Co.
 J. G. Scott, delegate, D. C. Lbr. & Shingle Mfgs. Association.
 H. Depencier, delegate, D. C. Lbr. & Shingle Mfgs. Association.

All other members with exception of two were represented by proxy. It was deemed best before undertaking the regular business of the association, to take up

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those subjects in which the delegates from the coast were interested. The price list was considered and discussed at length. Mr. Scott stated that several items had been raised by the B. C. Lumber association, and wished our association to follow their lead as much as possible. He explained that the coast manufacturers did not wish to have a different price for 8, 10 and 12 inch boards but realized that conditions in the interior were different and that such a differentiation was desirable.

Mr. Depencier stated that never before had the lumber trade been so good at the coast. Stocks were light everywhere, and their mills were compelled to turn down orders daily, among which were many from the American side. Mr. Jones spoke at some length upon conditions in general, and deprecated too much encroachment of eastern or northern Manitoba in seeking for business by our members, deeming that this territory properly belonged to the eastern pine manufacturers, and that any such policy would be retracted.

Incidentally, the matter of certain shippers having been charged with 'switching charges' at terminal points by the purchaser was brought up, and it was resolved that no such allowance be made by any member, and such notice be inserted in the price list notes.

It was finally resolved that the president name a committee of five to review the price list and recommend any changes. The president named the following gentlemen to act as a committee for the purpose and to report as soon as possible to the meeting: Messrs. Leitch, Lindmark, McNab, Billings and Krapfel.

The question of 'manufacturers' yards' then occupied the time of the meeting until adjournment was made at 1 p.m.

Many of those members having yards expressed themselves as sorry that such a condition existed, as they believed a manufacturer had all he wanted to do at the mill end of the business.

Owing to the conditions existing, however, until a short time ago, it was necessary for an outlet in the way of yards to be established in order to obtain a living price for their lumber. At present there was a large investment in the yard business, and it was the consensus of opinion that if the yards in which mill owners were interested were conducted upon a legitimate basis that they would be a benefit instead of a detriment to the lumber industry. Mr. Leitch for the East Kootenay Company; Mr. Yates, for the Otis Staples Company; Mr. Lindsay, for the Crow's Nest Pass Lumber Company; and Mr. Jones, for the Columbia River Lumber Company, all stated emphatically that straight list prices would be charged any yards in which they were interested; that the latter would have to stand upon their own ground, and would be shown no favours.

Mr. Jones added that if such a course were pursued, and a staunch retail association established in Alberta, to control the retail prices, it would help the lumber business a great deal.

Mr. Lindmark added his opinion that it was not a menace, and favoured the forming of a retail association.

Upon Mr. Jones stating that he would undertake to call a meeting at Calgary for the purpose of starting a retail association in Alberta, it was decided by vote to allow the 'manufacturers' yards' discussion to rest over until our next meeting, when the result will be made known.

A motion was passed that a wire be sent to Secretary Campbell of the Forestry Association in convention at Ottawa. The president and Mr. Scott, being delegated to write the message, handed in the following, which was despatched to Ottawa:—
'Mountain Lumber Manufacturers' Association at annual meeting extends greetings, and respectfully request the Forestry convention to urge upon the provincial government to adopt an efficient fire ranging system. We congratulate Mr. Leamy on his success in the Dominion railway belt, and further point out the excellent possibilities of this province for permanent reforestation schemes.—(Signed) F. W. JONES, President.'

Afternoon session 2.30 p.m.

The minutes of the previous meeting were read by the secretary and adopted.
The following motions were moved, seconded, and carried.

- 1. That any manufacturer purchasing the output of another mill shall assume the payment of the latter's dues to the association.
 - 2. That all members of this association shall forward to the secretary at Nelson, copies of all orders as received, and duplicate copies of invoices as shipments are made, applying only to the Northwest Territories and Manitoba. To become effective January 31, 1906.
 - 3. That the secretary is hereby authorized to engage a competent grader as soon as possible, who is to visit the different mills to obtain the necessary information for the establishment of standard grading rules and when established to superintend their adoption. Salary and expenses of grader to be paid by the association.
- Upon the price list committee reporting, a discussion ensued upon the changes recommended by them, the following changes being finally adopted and becoming effective at once.

Discount abolished on shiplap, making it \$21 at 33 cents point; 6-inch shiplap \$1 less than 8 inches, 10 inches and 12 inches; 4-inch shiplap \$1 less than 6 inches.

4-inch boards.. . . .	\$16.50	at 33	cts. point.
6-inch "	17 50	"	"
8-inch "	19 50	"	"
10-inch "	20 50	"	"
12-inch "	21 00	"	"
No. 1 flooring.. . . .	29 00	"	"
No. 2 "	26 00	"	"
No. 3 "	21 00	"	"
No. 1 ceiling and siding.. . . .	28 00	"	"
No. 2 " "	25 00	"	"
No. 3 " "	21 00	"	"

3 x 4, 3 x 12 up to 16 feet, \$1.00 more than ordinary dimension.
4 x 4, 6 x 6 and 4 x 6 up to 20 feet., \$1.00 more than ordinary dimension.

Squares over 6 x 6 up to and including 12 x 12, 20 ft. more than ordinary dimension.

Cull boards.. . . .	\$16.00	at 33	cts. a point.
Cull Shiplap	17.00	"	"

Bevelled siding, any find, same price as cedar.

Cedar lath	\$4.50
Pine lath	4.00
Fir, larch and spruce lath.....	3.50
No. 2 lath.....	2.50
No. 2 Cedar siding.....	27.00
Cedar ceiling.....	27.00
No. 3 Ceiling and siding	22.00

NOTE.—A new price list is in press and will be mailed to you in a few days. In meantime please govern your sales per above changes.

Mr. Krapfel asked permission for the North Star Lumber Co., to sell a certain stock of rough lumber piled at Cranbrook amounting to about one and one half million feet, for the same price as surfaced lumber.

He explained the reasons for request and after submitting to vote permission was granted.

- Election of officers for 1906.
- F. W. Jones, elected President by acclamation.
- J. A. Dewar, elected Vice-President by acclamation.

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The following gentlemen were elected to form the Executive Committee:—P. Lund, T. A. Ludgate, A. Leitch, J. G. Billing, A. L. Boynton, C. D. McNab and Otis Staples.

The following were elected to form the Insurance Fund Committee: C. D. McNab, G. A. Agnew, Alex. Moffatt.

The following motion was then carried:

That the Executive Committee has power without further ratification by the association to make such necessary changes in the price list as may be required from time to time.

Correspondence from Mr. Gurd was read relating to an appeal from a decision handed down in an accident case to an employee of the North Star Lumber Co., which the latter desired to make, providing the insurance fund would pay costs of such appeal in the case of defeat.

Much discussion took place upon the subject, it being unanimously felt that the fund should not be used in any way except for the express purpose for which it was organized, and that to do so would create a dangerous precedent. Upon a motion being put to test the feeling, it was lost.

A motion was also made to make a special assessment upon the whole association for the purpose of defraying costs of appeal. It was considered best to take a ballot and upon same being counted, it was declared lost.

Several members however, declared themselves willing to constitute themselves one of a certain number to provide funds for the appeal providing the secretary of the fund considered it a good test case with a fair chance of success.

The secretary read the financial report showing that with the December assessment in, sufficient funds would have been provided to pay the remainder of the old accounts and pay current expenses for January.

In the report he stated that to maintain the association including the services of a grader it would require about \$7,000 per year, and suggested that in future to cover this all members be assessed 4 cents per M. on their respective cuts, this to constitute the whole payments.

It was moved and carried,—‘That to carry on the business of the association, an assessment be made of 4 cents per M. per year on the different cuts, and that same be collected by the Secretary-Treasurer, quarterly in advance.’

It was moved and carried that the next general meeting of the association be held at Nelson, B.C., on Wednesday, 7th March, 1906.

GEO. P. WELLS,

Secretary.

Q. It seems to be a summary of the proceedings at a meeting of the Mountain Lumber Manufacturers' Association held at the Strathcona Hotel, Nelson, B.C. Do you always hold meetings at Nelson?—A. Not always.

Q. This meeting was held on January 8, 1906, F. W. Jones, president, in the chair. Then there is a list of those present, 24 as I count, and then it is stated: ‘All other members with exception of two were represented by proxy.’ There was you say no constitution and bylaws providing how members should be represented?—A. No, it was understood.

Q. If a man said he was in the business and wanted to join he was allowed to do so, and if he sent authority to be represented at that meeting that was allowed also?—A. Exactly.

Q. Now I see it stated that Mr. Depencier—is that the right name?—A. Yes, Depencier.

Q. Mr. Depencier stated: ‘that never before had the lumber trade been so good at the coast.’ Have you any explanation to make about that—anything to add to that or to say about it?—A. No, I don't think so. My recollection of a transaction such as that would be indistinct; I would not remember.

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Q. To resume the quotation from Mr. Depencier's statement: 'Stocks were light everywhere'—Stocks were light everywhere in January, 1906, were they?—A. I presume they were.

Q. Does that mean light in the lumber mills or light in the retail yards?—A. It would mean both I presume, that reference to the lumber mills.

Q. That they were selling as fast as they could turn it out; they had very little on hand?—A. Very little on hand.

Q. Mr. Depencier says: 'Stocks were light everywhere and our mills were compelled to turn down orders daily among which were many from the American side.' Were they also selling on the other side of the line?—A. Were who selling? The manufacturers?

Q. Your people, yes?—A. From that they evidently were.

Q. I mean as far as your recollection goes?—A. I could not tell whether they were selling over there or not, I am sure. They did sell some to the American market at that time, I believe.

Q. Your summary goes on to say: 'Owing to the conditions existing, however, until a short time ago, it was necessary for an outlet in the way of yards to be established in order to obtain a living price for their lumber.' You will notice it was claimed a little before this that stocks were light?—A. Well, things were, I believe, previous to that. For a long time the lumber trade was in a very mixed and bad condition.

Q. Does this not indicate that until a little while before 1906 there was an overstock of the mills?—A. Yes.

Q. And the stock had gone down until there was very little on hand?—A. That would be part of it.

Q. Then the statement goes on: 'At present there was a large investment in the yard business and it was the consensus of opinion that if the yards in which mill owners were interested were conducted upon a legitimate business basis that they would be a benefit instead of a detriment to the lumber industry.' Did that prevail to any great extent?—A. The lumber business was in a bad condition for some time and the retailers on the prairie were practically making the prices of lumber; the manufacturer had very little to say as to what the lumber should sell at. Consequently that condition of affairs led to some of the mills going into the retail business themselves so that they could get a price in the retail way which would sell their lumber for them at a decent figure.

Q. So they were both producers and retailers?—A. And retailers. A great many of the smaller mills and these that were not in that business did not like that feature of it. They were afraid, for instance, that some of the big mills would open yards and corral a certain part of the best territory and they would be shut out of it altogether. That is what was meant by the question of manufacturers' yards. It was a question there was a good deal of discussion about—whether it was a good principle for the manufacturers to open yards—and those that were already in it expressed themselves to the extent that they did not like the idea and did not want to be in the retail business but they had been forced into it and consequently had to make the best of it.

Q. Was it understood by your people that if they did go into the retail business they would charge the same retail price as other dealers and not sell it any cheaper?—A. Well as far as their retail prices were concerned.

Q. Did they agree to do that, keep up the retail prices?—A. No, they did not. What they did undertake, what it was stated they would do, was that they would sell to their own yards at the same price as they would sell to any other buyer, that they would make no discrimination.

Q. Even if the yards were their own?—A. Well, it is run as a separate business you know.

Q. But it would be a mere matter of book-keeping would it not?—A. If I had a yard no matter what I charged that concern the money would come back to me?—A.

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There is a distinct difference. They all run that business separately and conduct the yard as a separate business in order to make a profit on it. Of course, as you say, they might get around it if they wanted to be greedy or underhand.

Q. If I establish a yard and furnish that yard with lumber it does not make any difference if I get the money for what I charge?—A. It makes a lot of difference to a competing yard that has not its own supply.

Q. What difference does it make—this question of what I sell it at retail—to the competing yard?—A. Not if the yard belongs entirely to the mill. But there are other people interested in yards who are not interested in mills.

By Mr. Sloan:

Q. As a matter of fact, the companies running yards, the sawmill companies, they are under different incorporation are they not?—A. Yes. I say too that in most cases—in every case that I know of in fact—there are others interested in the yards besides the manufacturer although he may have an interest.

Q. I want to be quite fair about this and therefore I will read you the next sentence from your summary: 'Mr. Leitch, from East Kootenay Company, Mr. Yates, for the Otis Staples Company, Mr. Lindsay, for the Crow's Nest Pass Lumber Company, and Mr. Jones for the Columbia River Lumber Company, all stated emphatically that straight list prices would be charged any yards in which they were interested'—A. That is just what I said.

Q. 'That the latter would have to stand upon their own ground and would be shown no favours?'—A. Exactly, that is just what I said.

Q. That any concern in which they were interested would be put upon the same footing as any other retailer?—A. They would treat them in an exactly similar way that they would treat any other retailer.

Q. Your summary goes on to say: 'Mr. Jones added that if such a course were pursued and a staunch retail association established in Alberta to control the retail prices it would help the lumber business a great deal.' That would rather indicate one of the objects of your association is to keep up the retail prices?—A. That was Mr. Jones' personal view. It was not an association matter but his express personal opinion.

Q. 'That if such a course were pursued, and a staunch retail association established in Alberta'?—A. Yes.

Q. 'To control the retail prices'?—A. Yes.

Q. That is, he thought there should be a retail association established for the purpose of controlling the retail price?—A. Yes.

Q. It would help the lumber business a great deal. Was that done at all by members of your association?—A. I could not say as to that, I am sure. I think the intention then was to simply discontinue the discussion regarding these manufacturers' yards. There were, as I say, a great many smaller dealers who disliked the idea very much, and it was thought by those interested in the yards that if they could just stave it off for a time the matter would adjust itself.

Q. You seem to have supported that. The summary goes on to say: 'Upon Mr. Jones stating that he would undertake to call a meeting at Calgary for the purpose of starting a retail association at Alberta.' He stated he was going to call a meeting for that purpose. He was interested in a yard down there, you understand, and was going to call a meeting for that purpose.

By the Chairman:

Q. A month before the retailers were established?—A. Exactly. He stated he was going to call a meeting for the purpose of forming a retail association.

By Mr. Lancaster:

Q. I want to be quite fair with you. I am pointing out something that perhaps you would like to explain. It is not put that way in your summary, but it is stated

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that Mr. Jones would undertake to call a meeting?—A. They were discussing the establishment of manufacturers' yards.

Q. Then it is stated that the discussion was adjourned until the next meeting, when the result would be made known?—A. That is the discussion on the manufacturers' yards question.

Q. It was decided that the discussion upon the establishment of manufacturers' yards should stand over upon Mr. Jones undertaking to call a meeting of retailers in Alberta to start an association?—A. They wanted to see what the result of that was going to be.

Q. I have another of your summaries, dated February 26, 1906. Would that be the next meeting?—A. I presume it would. I do not remember any having occurred less than a month apart.

Q. Your name is not attached to it, but will you identify it?—A. Well, I have no doubt that it is one of those I sent out.

EXHIBIT No. 41.

MINUTES of meeting of Mountain Lumber Manufacturers' Association, held at Nelson, February 28, 1906.

Meeting called to order, with President F. W. Jones in the chair.

Present:

F. W. Jones, Columbia River Lumber Co., Golden.
 A. F. Krapfel, North Star Lumber Co., Elko.
 J. W. Robinson, Robinson-McKenzie Lumber Co., Cranbrook.
 F. E. Sine, Bowman Lumber Co., Revelstoke.
 W. H. McCormick, Kamloops Lumber Co., Kamloops.
 W. C. E. Koch, Koch Lumber Co., Nelson.
 J. A. Dewar, Porto Rico Lumber Co., Ymir.
 J. Deschamps, China Creek Lumber Co., Rossland.
 J. G. Billings, Yale Columbia Lumber Co., Nakusp.
 J. Genelle, Yale Columbia Lumber Co., Nakusp.
 A. R. Yates, Otis Staples Lumber Co., Wycliffe.
 A. E. Watts, Wattsburg Lumber Co., Wattsburg.
 P. Lund, Crow's Nest Lumber Co., Wardner.
 T. A. Ludgate, Big Bend Lumber Co., Arrowhead.
 C. F. Lindmark, Revelstoke Lumber Co., Revelstoke.
 C. Archibald, Kootenay Shingle Co., Salmon Arm.
 R. Gibbons, Arrowhead Lumber Co., Arrowhead.

The president complimented the good showing in attendance, and stated that the main object of the meeting was a consideration of an advance in prices.

Correspondence and telegrams were read from the secretary of the British Columbia Lumber Association, to the effect that their association would make corresponding advances in their list to whatever was done by us. Also that the Pacific Coast Association (American) had lately made a jump of \$2 per M all round in the fir list, and that a meeting was called for March 1, of the British Columbia Association to decide upon a proposal for a \$1 raise right through the fir list.

The president then asked the members to express their views on the subject.

Mr. LUND spoke at some length, commenting upon the favourable market, good prospects of the association and its undoubted value to the manufacturers, but thought it unadvisable to make any general advance at present.

Mr. Ludgate favoured taking advantage of conditions to obtain all that was possible for our lumber.

Mr. YATES considered a substantial raise necessary, and thought that conditions warranted the same.

Mr. WATTS agreed with Mr. Yates, also ~~and Mr. Genelle~~

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Mr. GIBBONS wished prices raised all they would stand and thought \$2.00 per M. more would be about right.

Mr. LINDMARK thinks circumstances should be carefully considered. Some items in the price list demanded a raise but thought any general advance at present not good policy.

Mr. DESCHAMPS thought present list a fair one at present, but would agree to what majority wished.

Mr. DEWAR agreed with Mr. Lund and deprecated any considerable advance just now, and prices regulated later according to how stocks moved.

Mr. KOCH expressed the opinion that the heavy material prices were too low, and wished to see dimension and timber prices advanced.

Mr. McCORMICK coincided with Mr. Yates. He referred to the additional cost of logs this season through bad weather conditions, which would produce a log shortage as well. Also to the fact that the eastern field was in bad shape and billions of feet left on skidways in Ontario and Quebec. This would tend to draw a large portion of the products from Rat Portage and adjacent territory eastwards, and thought that a considerable advance was bound to come and now was the time to fix it for the season.

Mr. SINE read a communication from Duluth showing the enormous advance of lumber on the docks at that point lately. He favoured a considerable raise for our output.

Mr. J. W. ROBINSON spoke at length, outlining the conditions on the prairie where he had lately spent some time and advised caution in making prices higher. He stated that what the dealers required and wanted was a fixed list upon which they could place dependence and faith in the Mountain manufacturers maintaining it. Referred to the struggle which the association had to reach its present state, and while conditions were excellent at present and members of the association working in harmony and everything looked excellent for good business, still he thought the present list should be allowed to stand for some time yet.

Mr. KRAPPFEL agreed with the last speaker and did not advise anything except the changing of certain items.

A motion to test the general feeling was thought best at this time, and it was moved by Mr. Watts, seconded by J. Genelle, that owing to the increased cost of logging operations, scarcity of lumber, &c., that the prices per No. 10 list be advanced \$1 all round. The motion was lost.

The meeting sat as a committee on the whole and took up the price list item by item, with the result that the following changes were made upon majority votes, the advances being named below over the No. 10 list.

4 in. boards	advance	.50	per M.
6 "	"	1.50	"
8 "	"	.50	"
10 "	"	.50	"
12 "	"	.50	"
Resawn boards	"	1.00	"
Dimension	"	.50	" throughout.

Timbers.—3x4 to 6x6 up to 16 feet advanced 50 cents, making it \$21.50, 33 cents pt.

3x6 to 3x12 advance \$1.00, making it \$22.00 at 33 cents point.

Over 6x6 to 12x12 up to 16 feet advanced \$1.00, making it \$23.00 at 33 cents point.

Shiplap.—4in. Shiplap remains same. 6 in. Shiplap advanced \$1.00. 8, 10 and 12 in. Shiplap advanced \$1.00.

Flooring.—No. 1 advanced \$1.00. No. 2 advanced \$1.00. No. 3 advanced \$1.00. Edge grain advanced \$2.00.

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Ceiling.—No. 1 advanced \$1.00. No. 2 remains same. No. 3 remains same. $\frac{5}{8}$ No. 1 advanced \$2.00. $\frac{5}{8}$ No. 2 advanced \$2.00.

Siding.—No. 1 advanced \$2.00. No. 2 advanced \$1.00. No. 3 advanced \$1.00. Bevelled remains same.

Finishing.—No. 1 clear pine advanced \$5.00. No. 1 fir, spruce, larch, &c., advanced \$2.00. No. 2 remains same. Shelving remains same.

Lath.—No. 2 lath advanced 50c. Pine lath advanced 50c.

*MOOSEJAW EAST.

Culls.—Remain same.

CEDAR.

Common Cedar—Difference in price remains same.

Uppers.—No. 1 clear up to 8 in., \$45.00. No. 1 clear over 8 in., \$50.00. Clear squares remain same. No. 1 siding advanced \$5.00. No. 2 siding advanced \$3.00. No. 3 siding will be same price as for other kinds at all points.

A long discussion ensued as to the advisability of making the above advances, 50 cents less per M. for points west of Medicine Hat, than for the eastern points. A motion was made to this effect and was lost.

The Act now before the legislature pertaining to the measurement of timber was discussed, and it was determined to strongly recommend the amendment of the bill as proposed, so that Doyle's rule will apply east of the Cascades.

Telegrams were written by those present to their representatives at Victoria instructing them to do everything possible to have this accomplished. Telegrams were also sent to the Premier and the Chief Commissioner advising them of the strong desire of the interior millmen to have this done.

Moved by J. G. Billings, seconded by A. R. Yates, that no shipments be made direct to any municipality.

A committee was appointed to assist the Secretary in considering applications for position of grader. F. W. Jones, P. Lund, J. A. Dewar, and the secretary.

A committee was appointed to draft a resolution with regard to the preservation of timber from fire. W. C. E. Koch, F. E. Sine, C. F. Lindmark and J. W. Robinson.

Moved by C. F. Lindmark, seconded by W. H. McCormick, that the next meeting of the association be held _____ called when necessary by the executive, and to be held in Calgary not later than June 30 next.—Carried.

GEO. P. WELLS,

Secretary.

Q. It has been stated here—not by you but by two other gentlemen, I think—that their two rather stiff increases in the price of lumber about this time, about the time you were having these proceedings and the retailers were establishing associations. Were there two increases in the prices along between December and March?—A. Of course we can easily see by the record.

Q. Do you not remember?—A. I could not remember distinctly just when the increase in the price took place but I can easily ascertain.

Q. You were present and heard gentlemen stating there were two increases?—A. Well, Mr. Lancaster, I don't dispute that at all.

Q. It did not startle you, were you not surprised at that statement?—A. Not at all.

Q. You did not contradict it or think it was wrong?—A. I can soon tell you exactly what rises took place.

Q. Will it take you many minutes?—A. I have the different price lists here.

Q. Well, then, it would be just as well if you would state how it is, as you are giving the evidence; it will be fairer to you?—A. What was the date?

Q. It has been stated that in December _____

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there were two rises in the price aggregating, one witnesses said \$6, and the other witness said \$4 per thousand, generally speaking?—A. That was—

Q. At the beginning of last year?—A. January 9, 1906.

Q. The witnesses said between December and March, indicating that he meant in January, February and March?—A. Well, there was a change on November 7, one on January 9 and one on February 28.

Q. Then on January 9, what was the change, generally speaking?—A. Well, I have not the previous list of them and could not tell just what the changes were before November 7.

Q. What was the change in January? How much per thousand, generally speaking? I dare say it was different on different lines?—A. Very often the advance would be on one line.

The CHAIRMAN.—What was the advance on common lumber?

By Mr. Lancaster:

Q. What they call boards?—A. Well, between that time the boards were divided into different widths, and the average width would be 8 inches. The price for 8-inch boards at similar points was \$21. In November it was \$20 for all widths of common boards—if you understand mixed widths—and in January the price was put up; 6-inch boards were \$17, 7-inch boards \$18, 8-inch boards \$20 (the latter being the price for all widths before that), 10-inch boards \$21, and 12-inch boards \$21.50. So on 12-inch boards if a man ordered all one width he had to pay \$1.50 more. If he ordered 8-inch boards he got them for the same price that he got them before. Practically speaking on boards there was no advance.

Q. Tell us how there were graded?—A. According to the width you see in November, at \$20 for common boards, if a man ordered a carload of common boards they would be shipped to him in all possible widths up to 12-inch. He might get from one mill a quantity of narrow width and from another mill a greater quantity of different widths; it would depend altogether upon the shipment.

Q. I suppose the retailer would sort them out?—A. I suppose he would. But it was determined at that time they should pay for the widths they got classified.

Q. What was the other raise you spoke of, I think you said it was in February?—A. On February 28. Well 4-inch boards in the first list—the one I have just referred to—were \$16.50, in February they were made \$17; 6-inch boards were \$17.50, they were made \$19; 8-inch boards were \$19.50, they were made \$20; 10-inch boards were \$20.50, they were made \$21; 12-inch boards were \$21, they were made \$21.50. It was practically an advance of 50 cents.

Q. For 6-inch boards it was an increase of \$1.50?—A. 6-inch boards, yes. That arose out of the fact that at the price they were selling at the stock of 6-inch boards had been probably cleaned right out. There was little left and they could not fill orders for them.

Q. Was there any other advance made during that spring?—A. Yes, the next advance was on the 8th of May.

Q. On May 8?—A. On May 8, yes, and another on August 8.

By the Chairman:

Q. 1906?—A. 1906, yes, and then another on September 28.

By Mr. Lancaster:

Q. That would be all the advances? What is the extent of the advance in May for instance?—A. On the same boards? I have it more concise here, in the minute book, just the advances that were made.

Q. Just state shortly in general terms what the advance was and then you can put in the books?—A. On May 8 on 4-inch boards there was no advance. On 6-inch boards the advance was \$1. On 8-inch boards and 10-inch boards the same.

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and on 12-inch boards, \$1.50. Re-sawn 8-inch boards were advanced \$2. 2 x 4, 12-inch boards were advanced \$1.50, and 2 x 4 of all other lengths, \$1.

Q. That was really the largest advance? That was twice as big an advance as any of the others?—A. Yes, it seems to be. It is practically a \$1 advance.

Q. It is an advance of \$2 on re-sawn boards?—A. \$1 on all the others except heavy timbers 6 x 6.

Q. And was there on heavy timbers any particular advance?—A. \$1.50, and on timbers 12 x 12 and over there was \$2.50 advance. On shiplap 4-inch there was no advance. On 6, 8, 10 and 12-inch, \$1 advance. On flooring and ceiling, Nos. 1 and 2 grades, \$2 advance; and in No. 3 grade, \$1 advance. Bevelled siding, no advance; shelving, no advance; laths, 25 cents; culled lumber No. 2, \$1; bevelled siding, \$2; No. 2 siding, \$1 and so on.

Q. Then the cost advanced to what extent?—A. 40-inch boards, \$1; 60-inch remained the same, no advance; 8-inch, \$1; 10-inch, \$1; dimensions—that is 2 x 4's and so on—\$1 throughout; timbers, \$2 throughout; No. 1 flooring, \$1; No. 1 pine flooring, \$2; laths, 25 cents. All other items remained the same.

Q. I see the date mentioned of the meeting in Exhibit No. 40, February 28, is the exact date of the second rise you spoke of. Was it because of this meeting that the rise was made?—A. The advances are always made at meetings.

Q. And they would not be made except for meetings like that at which the advances are agreed to?—A. No, sir.

Q. And the summary of the meeting referred to winds up by saying: 'The meeting then sat as a committee of the whole and took the price list item by item, with the result that the following changes were made?—A. They would discuss the price-list item by item, the condition of the trade regrading that special grade of lumber and the demand for it, and the stocks in sight and so on.

Q. You have no doubt that the advances you have given us on February 28 are identically the same advances as are enumerated in your summary of the meeting of February 28?—A. I have no doubt at all.

Q. What do you say was the cause of the advance in prices. You have told us how it was done, what was the reason for the advance?—A. It was due to many things, but the principal reason for the advance was that the manufacturers knew they were not making any money on their product, and they simply had to get an advance in price to a great extent in order to make anything, and they were simply taking advantage of trade conditions and competition from outside quarters to do it as quickly as they could.

Q. Do you mean that they had been losing money before that?—A. Yes. There are many of them losing money to-day.

Q. At these prices?—A. Yes, sir.

Q. And they had been losing money before then?—A. Yes, sir.

Q. Before this advance was made?—A. This advance was made to try and get their business on a footing so that it would pay them.

By Mr. Sloan:

Q. And the cost of production was increasing?—A. Cost of production was increasing and they were getting farther away from the timber every day.

By Mr. Lancaster:

Q. That is your idea as to the reason for the advance?—A. They had determined they were not making money and had to put up prices in order to keep their business going. The prices would have gone up a great deal more if they could have made an advance without regard to competition.

Q. Before we leave, February 28, I will just read to the committee what this report that you signed, says: 'The president complimented the good showing and attendance and stated that the main object of the meeting was a consideration of an advance in prices. Correspondence and telegrams were read from the secretary of the

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B.C. Lumber Association to the effect that their association would make corresponding advances in their list to whatever was done by us.' So it appears from the list that whatever one would do the other would follow suit?—A. It is just a statement made that if they were going to advance prices we were going to do the same.

Q. Why is it stated here except that it was a reason for the advance in prices?—A. That was no reason for advancing them, it is just a statement that we were going to do so. We knew that prices were going to be advanced at the coast and that we would be safe from that quarter if we advanced the prices also.

Q. That is to say your association would advance the prices if the B. C. association said they would do so?—A. As I say we had to advance our prices and the prices would have gone up a great deal more if it had not been for the conditions of competition. We have to be guided largely in making our prices as to what prices prevail on other quarters.

Q. If you had not known that the B. C. association were going to adopt the same figures would your association be willing to advance their prices?—A. I think we would, certainly we would.

Q. According to this report the B. C. association would make corresponding advances 'to whatever was done by us.' That is your association?—A. That just happened at that time.

Q. 'Also that the Pacific Coast Association (American) had lately made a jump of \$2 per M. all round in the fir list.' So that the American association was making an advance of \$2 at the same time, and you, knowing that and knowing that the B. C. association would do whatever you did, also advanced the prices? Is that a fair way of putting it?—A. I was giving that information received from other quarters so that they could see their way before making an advance.

By Mr. Sloan:

Q. Have you any connection with the Washington Association?—A. No, no connection whatever, not of the remotest kind.

Q. You are not affiliated with their association?—A. Not at all; not affiliated with any association.

By Mr. Lancaster:

Q. The statement is made here that the British Columbia Association said they would make corresponding advances to whatever advances were made by your association. Then there is a full stop, and the report goes on: 'Also that the Pacific Coast Association (American) had lately made a jump of \$2 per M. all round in the fir list?'—A. That was the position of things.

Q. You have that information?—A. I probably took it out of a trade journal.

Q. Now, your report goes on to say: 'The president then asked the members to express their views on the subject. Mr. Lund spoke at some length, commenting upon the favourable market, good prospects of the association, and its undoubted future, and undoubted value to the manufacturer, but thought it inadvisable to make any general advance at present.' Mr. Lund was not saying that the manufacturers were losing money at all, he did not think it was advisable to advance the prices?—A. That is in regard to the condition of the market, I presume. I don't know what his reasons were.

Q. This is your language; you wrote this report?—A. Exactly. I do not know what his personal reasons were for not wanting an advance.

Q. 'Mr. Ludgate favoured taking advantage of conditions to obtain all that was possible for lumber.' Is that a fair statement?—A. I guess it is.

Q. This is what you wrote; I I do not think it is unfair to talk about it?—A. Those were undoubtedly Mr. Ludgate's sentiments, too.

Q. 'Mr. Yates considered a substantial raise necessary, and thought that conditions warranted the same?'—A. Yes, that is the way he expressed it.

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Q. 'Mr. Watts agreed with Mr. Yates, also did Mr. Genelle. Mr. Gibbons wished prices raised all they could stand, and thought \$2 per M more would be all right.' Does that mean all that the people would pay?—A. All that the demand would warrant, I presume.

Q. He thought you were not advancing the price sufficiently, is that it?—A. Probably.

Q. 'Mr. Lindmark thinks circumstances should be carefully considered. Some items in the price list demanded a raise, but any general advance at present not good policy.' He was not worried about losing money?—A. Well, I don't know about that. He was looking at the market. He wanted to keep the market firm and stiff. He did not want to put the prices up, for instance, so that there would be a break.

Q. 'Mr. Deschamps thought present list a fair one at present, but would agree to what majority wished'?—A. I may say that he is exceptionally situated, and always appeared to be content even when he was—

Q. 'Mr. Dewar agreed with Mr. Lund, and deprecated any considerable advance just now and prices regulated later according to how stock moved. Mr. Koch expressed the opinion that the heavy material prices were too low, and wished to see dimension and timber prices advanced. Mr. McCormick coincided with Mr. Yates. He referred to the additional cost of logs this season through bad weather conditions, which would produce a log shortage as well. Also to the fact that the eastern field was in bad shape and billions of feet left on sideways in Ontario and Quebec. This would tend to draw a large portion of the products from Rat Portage and adjacent territory eastward, and thought that a considerable advance was bound to come, and now was the time to fix it for the season. Mr. Sine read a communication from Duluth showing the enormous advance of lumber on the docks at that point lately. He favoured a considerable raise for our outfit.' If you wish to interject anything at any point, please stop me. Do you wish to say anything?—A. No, sir.

Q. 'Mr. J. W. Robinson spoke at length, outlining the conditions on the prairie where he had lately spent some time, and advised caution in making prices higher. He stated that what the dealers required and wanted was a fixed list upon which they could place dependence and faith in the Mountain manufacturers maintaining it. Referred to the struggle which the association had to reach its present state, and, while conditions were excellent at present and members of the association working in harmony and everything looked excellent for good business, still he thought the present list should be allowed to stand for some time yet.' That gentleman did not think a rise was at all necessary?—A. That referred to the conditions on the prairie only, I think, Mr. Lancaster.

Q. This was simply on the prairie?—A. Yes.

By Mr. Sloan:

Q. He is a prairie manufacturer at Red Deer?—A. He has a mill there.

By Mr. Fowler:

Q. Why would the conditions be different on the prairie?—A. I mean the conditions with regard to the consumer. That is what he referred to—the general conditions of the prairie market.

By Mr. Lancaster:

Q. 'Mr. J. W. Robinson spoke at length, outlining the conditions on the prairie, where he had lately spent some time, and advised caution in making prices higher?'—A. For that reason, the conditions on the prairie. He did not think it would be advisable owing to certain conditions on the prairie.

By Mr. Fowler:

Q. I am asking you what were the conditions?—A. Sometimes the conditions are excellent down there. The demand for lumber is excellent sometimes and sometimes it is not.

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Q. Did he mean that the demand was poor?—A. I presume he did; that the general trade conditions were not good.

By Mr. Sloan:

Q. There was always the American competition which was a very serious factor all through those points?—A. Yes, exactly.

By Mr. Lancaster:

Q. 'Mr. Robinson advised caution in making prices higher, and says that what the dealers required was a fixed list upon which they could place dependence and faith in the Mountain manufacturers maintaining it.' What does he mean by that and what dealers does he refer to?—A. The retail dealers. He means by that they wished to have a staple list. For instance, they wanted to know what their competitor was paying. They did not want one man buying at one price and another man buying at another.

Q. That your association would have to maintain the same list against anybody?—A. Maintain a staple list.

By Mr. Fowler:

Q. They did not want frequent changes at the mills?—A. Frequent changes at the mills.

By Mr. Schaffner:

Q. If the evidence goes out in that way it will appear that the condition on the prairie would mean what the farmer is able to pay. What do you mean by the condition on the prairie?—A. It might have reference to the condition of the actual consumer.

By the Chairman:

Q. His ability to buy?—A. His ability to buy and his ability to pay.

By Mr. Schaffner:

Q. And you regulate the price according to the condition of the farmer on the prairie to pay?—A. We have had a good deal of thought of the consumer when we made our prices. We have had the consumer in mind a good deal when the prices were made.

By Mr. Herron:

Q. That is you had it in your mind to protect and give him the best advantages everywhere, or did you think you would charge him all he could stand?—A. Their ability to pay for the lumber, yes, that had something to do with it.

Q. It appears that although Mr. Robinson considered everything looked excellent the present list should be allowed to stand, notwithstanding all he had heard in support of a rise?—A. I don't know what his reasons were for being timid; I could not say.

Q. You think it is timidity not to want to raise prices?—A. Possibly.

By Mr. Sloan:

Q. Mr. Robinson was a manufacturer?—A. Yes.

By Mr. Fowler:

Q. Why would you call that timidity?—A. It is more or less timidity to my mind.

Q. Why timidity?—A. I don't know what his reasons were for being timid.

Q. I am asking you why you are calling it timidity, I don't quite understand you?—A. I just referred to him as being probably about raising the prices, owing to his view of the conditions.

Mr. LANCASTER.—You would not want to lead us to the conclusion that a man was doing a very courageous thing in raising the prices?

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By Mr. Fowler:

Q. You are using the word timid because he does not want to raise the prices?
No answer.

By Mr. Sloan:

Q. As a matter of fact Mr. Robinson had just made a commencement. Had he got his mill in operation?—A. I don't know what his condition was, I am sure.

Mr. SLOAN.—I know Mr. Robinson and I think he was just commencing business.

By Mr. Lancaster:

Q. Your report also says: 'Mr. Krapfel agreed with last speaker and did not advise anything except the changing of certain items. A motion to test the general feeling was thought best at this time, and it was moved by A. E. Watts, seconded by J. Genelle, that owing to the increased cost in logging operations, scarcity of lumber, &c., that the prices per No. 10 list be advanced \$1 all around. The motion was lost. The meeting then sat as a committee on the whole and took up the price list item by item, with the result that the following changes were made upon majority votes, the advances named below being over the No. 10 list.' Then there is a list of prices that you have given us to-day?—A. Yes.

Q. For boards, timbers, shiplap, flooring, filling, finishing, lath and everything else?—A. I read those.

Q. There is an advance in boards according to width. As you say 4-inch boards 50 cents, 6-inch boards \$1.50, 8-inch boards 50 cents, 8, 10 and 12-inch boards 50 cents, re-sawn boards \$1, dimension 50 cents, timbers 50 cents and \$1—the most of it \$1, but some of it 50 cents—shiplap, 4-inch—whatever that is—remains the same, 6-inch advanced \$1, 8, 10 and 12-inch shiplap advanced \$1. Now in flooring, Nos. 1, 2 and 3 grades advanced \$1. Edgegrain advanced \$2. In ceiling, No. 1 advanced \$1, Nos. 2 and 3 remained the same, § No. 1 and § No. 2 advanced \$2. In siding, No. 1 advanced \$2, Nos. 2 and 3 advanced \$1, and bevelled remains the same. In finishing, No. 1 clear pine advanced \$5, No. 1 fir, spruce, larch &c. advanced \$2, No. 2 remains the same, and shelving remains the same. Lath, No. 2 lath and pine lath advanced 50 cents. Culls remained the same. Cedar, common cedar, difference in price remains the same. Uppers, No. 1 clear up to 8-inch, \$45; No. 1 clear over 8-inch, \$50. Clear squares remain the same. No. 1 siding advanced \$5, No. 2 siding advanced \$3. No. 3 siding, it is said, will be the same as for other kinds at all points.

Q. Then I see: 'A long discussion ensued as to the advisability of making the above advances, 50 cents less per M. for points west of Medicine Hat than for the eastern points. A motion was made to this effect and was lost.' That is they would not agree to making the price 50 cents less per thousand for points west of Medicine Hat but wanted to maintain it the same as for points east of that place. Is that it?—A. I presume so.

Q. 'Moved by J. G. Billings, seconded by A. R. Yates, that no shipments be made direct to any municipality.' Previous to this were your members shipping to municipal councils for building sidewalks and other things?—A. Oh, yes; I presume so, and they are yet for that matter.

Q. It does not say what happened to that motion. Was it carried?—A. If it does not say so, I cannot remember.

Q. That is why I ask you. It simply says a motion was made that no shipment be made direct to any municipality. It does not say whether it was carried or not?—A. I don't know whether it was carried or not.

Q. What is our recollection about it? It is an important matter, you know, the question of shipment of lumber to any municipality?—A. The motion would simply mean that it would be wrong to do so.

Q. If it was lost, it would make all the difference in the world?—A. That is just simply a motion that they considered it was inadvisable, that is all. They are not

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absolutely compelled to refrain from shipping to those people. The motion simply means that they thought it would be inadvisable to do so.

Q. And you do not remember about that?—A. I cannot remember.

By Mr. Sloan:

Q. Is there anything on your price list about shipping to the different municipalities?—A. No; I do not think so.

By Mr. Lancaster:

Q. What has been the attitude of the association upon that question of selling to municipalities since that motion was made, whether it was carried or not?—A. Well, a great many regard it as being inadvisable to sell to municipalities—that the local dealers should get the benefit of that trade. That is regarded pretty generally, although municipalities are sold to every day. They buy their lumber direct from the mills, so far as I know; but it is regarded as not being good business to sell direct to the municipalities.

Q. I think the retailers sent a delegate to your association—we were told so some days ago—about that question, at least about that among other questions?—A. They protested against that.

Q. Did your association say they would not do it any more?—A. They may have said they would not do it any more.

Q. What is the general attitude of the association in regard to that?—A. It is regarded probably by the majority of the members that it should not be done. It is regarded as not being a good business principle; that the retailers should get the benefit of the local trade, no matter whether it is from a town or from an individual.

Q. You notified those people on February 18 that as a result of a meeting of the joint committees on values held at Spokane, the Western Pine Manufacturers' Association advanced the price on scantling and dimension timber \$1 per thousand at 40-cent points. 40-cents points means 40 cents for freight?—A. Yes.

Q. Then you give a list of advances in price made on February 12?—A. Those are the American prices, are they?

Q. I have asked you to explain. It says in circular letter No. 38 that at a joint meeting of the committees on values held at Spokane—I do not know what that is?—A. That is a purely American affair, with which we have nothing to do.

Q. You did not send delegates to it?—A. I presume that was taken from something I read.

EXHIBIT No. 42.

Circular Letter No. 38:

Gentlemen,—As a result of a meeting of joint committees on values held at Spokane a few days ago, the Western Pine Manfrs. Association advanced the price of scantling dimension \$1.00 per M. at 40 cents points, making them as follows:—

	6 ft	8 ft	10 ft	12 ft	14 & 16	18 & 20	22 & 24
2 x 4.. . . .	\$19.00	\$20.00	\$22.50	\$21.50	\$21.50	\$23.00	\$25.00
2 x 6	19.50	20.00	22.50	21.50	21.50	23.00	25.00
2 x 8	19.50	20.00	22.50	21.50	21.50	23.00	25.00
2 x 10	19.50	20.00	23.00	23.00	22.00	23.50	25.00
2 x 12	20.50	21.00	24.50	25.00	24.00	24.50	25.00
3 x 6, 3 x 8.. . . .			25.50	24.50	24.50	25.00	27.00
3 x 10			26.00	25.00	25.00	26.00	27.00
3 x 12			27.00	26.00	26.00	27.00	28.00
4 x 4 6 x 6			25.00	24.50	24.50	25.50	27.00

These prices are to be ratified and adopted by the joint committees of the Pacific Coast Manufacturers' Association. The Oregon Lumber Manufacturers' Association and the South Western Washington Lumber Association, at a meeting to be held on the 22nd instant, when an advance on boards will also be made.

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I must request those of our members who are not sending copies of their invoices promptly, to do so. This is an important feature of our system, but it will be rendered valueless unless complied with strictly and promptly by every member.

- Yours truly,

GEO. P. WELLS,
Secretary.

Q. 'These prices are to be ratified and adopted by the joint committees' of the Pacific Coast Manufacturers' Association, the Oregon Lumber Manufacturers' Association and the Southwestern Washington Association, at a meeting to be held on the 22nd inst., when advance on boards will also be made.' Here is your language: 'I must request those of our members who are not sending copies of their invoices promptly, to do so. This is an important feature of our system, but it will be rendered valueless unless complied with strictly and promptly by every member'?'—A. I can explain that.

Q. Why send invoices?—A. It was at some meeting—I don't remember when it was, but I know the paragraph, and I understand exactly what it is. When I took hold of the association I wanted to be of benefit to it in the way of furnishing statistics and such things as that, and I thought one of the best things they could do would be to send me a copy of their invoices so that I could analyse them. A good many of them did so, but the majority did not. It ran along for a time like that, but was rendered practically valueless because it was not carried out.

Q. What object had you in analysing the invoices?—A. To get statistics as to the amount of various kinds of timbers that were being cut, the weights of lumber, the weights of shipment, the amounts of freight from various points, we were paying. I might say there were a hundred and one different sources of information that could be derived from the analysis of the invoices.

By Mr. McIntyre (Perth):

Q. So that there would be a check on the prices charged?—A. It was not meant for that.

By Mr. Lancaster:

Q. Was it so that you could see whether they were all keeping to the same prices?—A. That was not the intention of it.

Q. Or, as Mr. McIntyre suggests, see what they were charging?—A. I would derive that knowledge although it was not the main intention.

Q. I have here a circular, No. 4, issued by you (reads).

EXHIBIT No. 43.

Circular Letter No. 74.

GENTLEMEN.—I am receiving suggestions from members every day that an advance in prices is advisable immediately, the reasons given being that there is undoubtedly an enormous discrepancy between the demand and the stock of lumber in sight. The majority of the mills are deluged with business and it is extremely difficult to place surplus orders anywhere at list prices for prompt shipment.

It is felt by many that now is the mill man's opportunity and to fail to grasp it and obtain a fair recompense would be folly. The American market is steady and prices constantly on the increase, so that no fear from that quarter need be felt.

On the coast the volume of business is unprecedented, and we may depend upon a corresponding advance to any we may make. Railway orders are going begging, and it is a fact that every mill at the coast is loaded down with business for the best part of the season ahead. The foreign cargo business is also excellent and prices have been advanced to \$15 base price.

Certainly from any standpoint the lumber situation is strong and it is simply a matter to consider what price to fix to obtain it for shipment of new orders.

On the other hand, some of your members ~~counsel caution in raising list just now~~

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thinking it better to defer such action until a little later, when the conditions as to immigration, crops, &c., will be better known. They think that to advance now would be indiscreet with the amount of back orders on hand, and that by the time those were filled conditions might be such as to compel a reduction again, both changes thus being valueless and tending to emphasize an opinion that our list is too unstable.

I have endeavoured to outline both sides of the question above, and it now remains with the members of the association to determine what action shall be taken.

Please fill out the inclosed blank and return immediately and I will then call a meeting of the executive.

Yours truly,

GEO. P. WELLS,
Secretary.

That is dated Nelson, April 9, 1906. I am drawing your attention to the fact that that is after two of the principal advances. There was also quite an advance made in May. Would that advance in May have been made if you had not sent that letter?—A. I am sure I don't know.

Q. Was not that letter the germ of it?—A. There was a meeting held in May, anyway, and I don't remember whether that letter had any effect on it.

Q. You are receiving suggestions from members in it?—A. Exactly.

Q. That an advance in prices is considered advisable immediately? This is what you outline as the reason for making the advance?—A. What they gave me.

Q. 'There is undoubtedly an enormous discrepancy between the demand and the stock of lumber in sight.' That is the reason, you say, why there should be an advance?—A. I am merely giving the reasons that were given to me.

Q. That was a sort of corner on the lumber?—A. I am giving the reasons that were given to me.

Q. And you truly gave them?—A. Yes.

Q. That letter of course is true?—A. Certainly.

Q. And those reasons, as you say, were the ones that were given to you?—A. Certainly.

Q. And you truly passed them on to members of the association?—A. Certainly.

Q. It is fair for you to point out that the letter does not give the reasons you have mentioned for any of these advances?—A. Well, I don't know about that.

Q. It gives that practical reason, that there was a corner, as it were, that there was less stock on hand than there was demand for and it was therefore an opportune time to arrange prices?—A. Exactly.

Q. I would like you to explain that?—A. That means just exactly what it says. I could not explain it any better than it was explained there.

Q. There is nothing you want to add to it?—A. Nothing at all.

Q. You stand by that as the reason for the May advance?—A. I do not say that. I do not say that was the reason for the May advance at all. I simply outlined the condition of affairs.

Q. What happened? You started out by saying there was no constitution or by-laws, but that you did what was necessary subject to the approval of the committee?—A. Yes.

Mr. WATTS.—Ask Mr. Lancaster what he means by 'corner.'

By Mr. Lancaster:

Q. I'll answer that in a minute when I get through with this question. You started that question at the end of April by that letter? If you did not, say so?—A. I don't know whether I started it or not. I undoubtedly drew attention to the facts that are stated there.

Q. And there was a meeting held early in May soon after that circular was sent out?—A. About a month after. About the 8th, I think it was.

Q. It looks to me that I am fair in assuming that the meeting was called on account of that circular?—A. There may have been other things to call forth a meeting.

So far as I remember I don't know that meeting was ever called for the particular purpose of adjusting prices.

Q. In your report of the meeting of the association of February 28, you state that the president said the main object was the consideration of an advance in prices?

—A. The main object?

Q. It does not say any other object; that is the only one mentioned. Consideration of advance in prices is stated to be the main object?—A. I don't remember. I have already stated that I do not recollect that any meeting was called for that sole purpose.

Q. Do you recollect any other business that the meeting in February was called for?—A. I could not recollect anything, no.

Q. Because the meeting did not do any other business, you see?—A. I see.

Q. You sent a report of it, and you did not report any other business in detail, except as to how the prices were to be arranged?—A. It is probable that was the sole purpose of that meeting.

Q. Now, as to the May meeting, I have not a copy of what happened. Have you a copy there?—A. Yes.

Q. Just see what the May meeting was called for?—A. Just to indicate that meetings are not always called for the purpose of adjusting prices. This is a meeting on June 5, when (reads): 'the president complimented the good showing in attendance, and stated that whereas everything was running along smoothly and very little business of importance was before the board, it was well to meet as often as possible, as good results followed.'

Q. I have no doubt. I did not suggest you did not have meetings for other purposes. I said that evidently the May meeting was called for the purpose of advancing prices?—A. Yes, that was the main business, a discussion of prices.

Q. Then I was right in my surmise, and the meeting was called pursuant to this notice of yours, as it not?—A. Yes, it was called shortly after that, very likely.

Q. The ideas of the gentlemen were communicated to you, and you truly transferred them to the members?—A. Exactly.

Q. Those are your reasons for acting at that time. Mr. Watts wants me to describe what I mean by a 'corner.' You say in that circular that the supply was less than the demand. I suppose you understand what I mean when I say that would make a sort of corner in lumber?—A. It would not mean what I understand by a corner. There is lots of available lumber outside of our little district.

Q. You thought it was a corner up there; or, at any rate, these people who have given us evidence thought so?—A. It is not exactly what I would understand by a corner. It was simply that the lumber situation everywhere was in such a condition we could undoubtedly get more for our lumber, that is all.

Mr. LANCASTER.—Is there anything else you want to ask me on that question, Mr. Watts?

Mr. WATTS.—No, sir; I think that shows there was no corner. That is all right.

By Mr. McIntyre (Strathcona):

Q. I think you stated, at least I understood you to say, that your association altered somewhat the grading of lumber?—A. Yes, sir.

Q. That is, the classification is much better?—A. Yes, sir. After a great deal of work on the subject, and the employment of an expert lumber grader and going over the whole of the interior, we got up those rules for grading lumber.

Q. They are unintelligible to me. I understood you knew particularly?—A. The book of rules produced exemplifies what we have accomplished in it.

Q. Do all the lumber mills in this association use the same system in grading?—A. We endeavour to have them do so. Yes, certainly.

Q. And lumber inspectors is the designation for the men who do the grading?—A. Yes, sir.

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Q. Are all so-called lumber inspectors capable of grading exactly the same?—A. Well, I suppose their ability in that line varies as it does in any other business.

Q. Do they pass any examination concerning their fitness?—A. Not in our country.

Q. Not in your country?—A. No.

Q. What would you say as regards the re-classification of this lumber at a retailer's yard?—A. Well, I should say that if it were not for our betterment of grades and a better understanding of grades, the re-grading of lumber could be done under a far greater scale.

Q. It is more profitable?—A. To the retailers, yes, without a doubt.

Q. I understood you to say that prices were regulated?—A. Yes.

Q. By your association?—A. Yes.

Q. Do you mean by that, that the same price was given to the mills represented by the members of the association?—A. That they sell at the same price?

Q. Yes?—A. That was the idea.

Q. As regards selling to contractors and consumers was there any discussion according with the wishes of the Retailers' Association that the manufacturer should not sell to the consumer?—A. It is certainly against their interests and they would take any opportunity to protest against the manufacturer selling to the consumer.

Q. Yes, but in your meetings did you agree to this?—A. With the retailers?

Q. Yes?—A. No, sir.

Q. In your meetings did you discuss at any time the matter of selling to the retailer?—A. To the retailer?

Q. I mean to the consumer direct?—A. Oh, yes, it has been a matter of discussion at various times.

Q. Did you come to any decision in the matter?—A. It is a perfectly understood thing that it is a bad business principle and bad for the lumber trade to undertake any such scheme, any such business, as selling to the actual consumer or contractors.

Q. Or to contractors?—A. Yes.

Q. Do you sell to railway contractors?—A. Yes, I do.

Q. Do you know anything about the price sold to the railway contractor as compared with the price sold to the retailer? How do they compare?—A. Well, I think in present days they are very much on a par.

Q. Very much on a par?—A. I think so.

Q. Do you know anything about the freight rates charged?—A. Yes.

Q. To the various points?—A. Certainly, I know them.

The CHAIRMAN.—Would it not be well for Mr. Wells to give us the information as to freight rates. Can you quote the average rate, for instance in western Canada—

By Mr. Schaffner:

Q. Excuse me a moment. Before we leave this point as to the rules of your association for grading?—A. Yes.

Q. Do all the members of the association use the same system of grading?—A. Yes.

Q. Do all the associations use the same system of grading?—A. No, it varies a great deal. For instance, the grades in the United States vary a good deal, and the pine lumber manufacturers in the east have a different system of grading.

Q. But this is your association?—A. Yes.

Q. Who does the grading?—A. Each mill has its own grader.

Q. Each man?—A. Yes.

Q. And do they adhere strictly to the grading?—A. They certainly try to, I hope.

By the Chairman:

Q. It is a matter of judgment?—A. It is a matter of judgment; they endeavour to do the best they can.

By Mr. Fowler:

Q. Who has the advantage? Is the grading to the advantage of the lumberman, the retailer, or the consumer?—A. To the advantage of all concerned.

Q. I thought you said a little while ago, in answer to Dr. McIntyre, that it was a disadvantage to the retailer?—A. Well, it is a disadvantage to the retailer in so far as his regrading and probably making some more money out of it is concerned, but it is a distinct advantage this way: If he sends an order into a mill for a certain quality of stock, he buys according to the established grading rules and knows what he is getting. For instance, if he buys No. 2 graded fir at a mill this spring, and wants a further shipment next month, if he bought it from a mill having no recognized rules, he would get very inferior grades.

Q. You mean the retailer would?—A. Yes; if there was no misunderstanding as to what he was buying. They lay down certain rules.

Q. Take what is known as mill run before it was graded?—A. We have never seen what is known as mill run, out there. That is in the Eastern mills.

Q. Your lumber then was always graded?—A. It was always graded, more or less.

Q. It is a question of making it uniform?—A. A question of making it uniform, exactly.

Q. Article 8 of your constitution, which was drafted by you, says: 'All lumber sold by the members from their respective saw-mills shall be invoiced at its *bona fide* grade, according to the grading rules published by this association and at the price required by its dimensions and description.' That is in order to make the grading uniform?—A. Yes. If it was not for that, the business would be helter-skelter; nobody would know what they were doing.

Q. There was something said with respect to a connection between you and your association and the retailers?—A. Yes.

Q. Is there any real connection between the two?—A. No, sir, there is no connection.

Q. No connection of any kind?—A. No connection of any kind.

Q. They are two separate and distinct entities?—A. Quite so.

Q. Communications pass between you, do they not?—A. Yes.

Q. Do you know the secretary of the Retailers' Association?—A. Yes.

Q. Mr. Grogan?—A. Yes.

Q. He was here and gave evidence. Are complaints made by Mr. Grogan to you?—A. There have been, yes. He has made complaints.

Q. What would be the nature of those complaints?—A. That probably some of our men were selling to some person whom it was against the interests of the retailer that we should sell to, and so on.

Q. That is, some of your mills were breaking a rule, or compact, or understanding, either written or oral, between the manufacturers and the retailers?—A. I don't know of any understanding.

Q. You don't know that any misunderstanding exists?—A. There is, I suppose, a feeling that we will protect the retailer's interests.

Q. Just merely a feeling?—A. Yes.

Q. There is no agreement to that effect?—A. No, sir.

Q. Certainly no written agreement?—A. No, sir.

Q. And no understanding?—A. No, no understanding.

Q. Of any kind?—A. No, sir.

Q. Whether written or otherwise?—A. No, sir.

Q. Did you ever meet Mr. Grogan before you met him here?—A. I knew Mr. Grogan years ago in Calgary.

Q. But since you have been secretaries of your respective associations?—A. I saw him once in Calgary.

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Q. Did you discuss matters between the two associations?—A. I don't remember having done so.

Q. You have never discussed them with him?—A. No.

Q. Just talked with him about the weather and the progress of the West, and did not touch this matter at all?—A. We might have. I don't remember having discussed this lumber business to any extent with Mr. Grogan.

Q. At any rate you never discussed any question between the two associations as to what should be done in case of one violating the regulations?—A. No, sir.

Q. You say some complaints have been made. Can you give the nature of any of those complaints? What were they?—A. I cannot remember any distinct circumstances now.

Can you remember what any of these complaints were about?—A. Well, as I say, the complaints would naturally be as I recollect, that certain people—even if he did not know who they were—that somebody was obtaining lumber.

Q. Some contractor?—A. Some contractor.

Q. Or someone who did not belong to the association was getting lumber from mill?—A. Somebody, yes.

Q. Contrary to the statute in that case made and provided?—A. Somebody whom they did not consider entitled——

Mr. WATTS.—Mr. Wells, will you ask Mr. Fowler, please, what he means by the statute in that case made and provided and where is the statute?

Mr. FOWLER.—That is what we are trying to find out.

Mr. WATTS.—Mr. Fowler, you did not understand that question.

Mr. FOWLER.—I think Mr. Wells understands me, and as long as he does, I am not worrying about Mr. Watts.

Mr. WATTS.—But it is misleading to the other members of the committee.

Mr. FOWLER.—It is not misleading, Mr. Wells, that is the important question.

Q. Do you remember a man by the name of Ambrose?—A. Ambrose?

Q. Yes. Do you remember his name coming up in connection with the correspondence?—A. Yes.

Q. What was the complaint about him?—A. As far as I can recollect about Mr. Ambrose, I was informed, I think, that he was not a regular dealer and should not be recognized.

Q. He did not belong to the association?—A. He did not belong to the association, and was not a regular dealer. I was informed, I think that he was——

Q. What do you mean by a regular dealer?—A. Operating a regular yard whether he belonged to the association or not.

Q. That he was operating a yard?—A. No, I may say, Mr. Fowler, that so far as the association is concerned, you will notice that we have a sales department.

Q. Yes?—A. Any orders that come into the place, and we place hundreds of orders, the fact of whether a man is a member of the association or not does not enter into our thoughts for a minute. All we want to know is whether he is a regular dealer.

Q. What do you mean by a regular dealer, his having a yard for the purpose of storing lumber?—A. And retailing it.

Q. And carrying a certain quantity of lumber?—A. Carrying, yes.

Q. Do you make any condition?—A. Yes.

Q. Then you agreed, Mr. Wells, to the condition as laid down by Mr. Grogan, that a man in order to be a legitimate, as he is sometimes called, should have a yard for the purpose of storing his lumber, and should also carry a quantity of lumber sufficient for the needs of the community in which he is operating?—A. I do not know as to 'sufficient for the needs of the community,' but sufficient to indicate that he is really dealing in lumber, and making that his business.

Q. That he is not, what would be called in the parlance of the stock market, a curbstone broker?—A. That he is not handling lumber as a side line.

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Q. Then your association objected to selling to persons who did not come under the category of regular dealers, with certain exceptions?—A. As I say, it applies in that way the same as everything else does; it is recognized as being a bad business by members of the association.

Q. I don't want reasons; I want facts. The fact is he was refused lumber. The association wanted their members—whether they bound them or not is another matter, but they are bound in honour as it were. You are not regularly bound with respect to that?—A. No.

Q. But you were bound in honour, I am not finding fault with that?—A. I understand.

Q. You were bound in honour not to sell to any excepting regular dealers, with certain exceptions that were understood?—A. Well, there was a distinct understanding that they would not do it.

Q. That you would not do it? You were bound in honour not to do it?—A. Yes. I don't know whether it is bound in honour, but it is quite distinct understanding that it would be bad faith and bad practice to do it.

Q. You are cavilling at the word honour. Suppose a hundred men meet and there is an understanding, are they not bound in honour to stand by that understanding?—A. Yes.

Q. Don't you think they would be bound to fulfil it?—A. Yes.

Q. Then anyone of the members of the association were bound in honour not to sell to the regular dealers with certain exceptions?—A. Certainly.

Q. What were those exceptions?—A. Well, it states them in the introduction to the price list.

Q. Did you hear Mr. Grogan's evidence?—A. No, I did not.

Q. Mr. Grogan, I think, stated sales could be made to regularly established dealers with the exceptions of elevators and flour-mills. I think it includes also railways?—A. The list does not apply to railways at all.

Q. The list does not apply to railways, elevators, and flour mills, there is a special condition with respect to them?—A. Yes.

Q. Nor to mining companies, Dominion or provincial governments and local or foreign trade. By local trade you mean within the radius of a mile?—A. Where the mill is supplying direct from its own yard a local demand.

Q. There was a special condition you say, with respect to the flour-mills and the elevators. What was that?—A. It was permissible to ship to them upon the regular prices charged to retailers, on the regular price list.

Q. On the regular price list charged to retailers?—A. On the regularly established prices.

Q. Did you not charge them a little higher, was it put a dollar higher?—A. It was put, but that was merely to please the retailers.

Q. You never intended to stick to it?—A. I don't think so.

Q. You did it, you say, to please the retailers, how were they interfering?—A. I think they sent a delegate to ask for it.

Q. They sent a delegate to your association?—A. Yes.

Q. Was that Mr. Becker?—A. Yes.

Q. He was the delegate?—A. I think so, yes.

Q. He did not succeed or did he?—A. I don't know of any case where there has ever been any distinction made.

Q. You simply fooled them?—A. I don't think it has ever been done.

Q. What was to become of this dollar? Who got it, the millman or the retailer? You understand what I mean, the dollar difference in the price as between the elevators and the retailers?—A. You mean that when a shipment was made to an elevator they would be charged a dollar more?

Q. Yes?—A. If the mill charged a dollar more, they would keep it themselves.

Q. They got it?—A. Certainly.

Q. They did not give it to the retailer, they were jollyng him?—A. No, sir.

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Q. They kept it themselves?—A. If it was ever done.

Q. If it was ever done?—A. I am pretty sure it was never done.

Q. It was just gas to send Mr. Becker home happy and make him think he had done something. Now, supposing a complaint from Mr. Grogan or any individual came to you, what would you do with it?—A. I would look into it. In fact if I recollect the majority of complaints were simply handled in a way to temporize with them.

Q. Just to kind of soft soap, to tickle them under the chin, and make them think you were doing something when you were not? You had a bit of correspondence in connection with this man Ambrose?—A. I believe that was the only case I ever did take up with him.

Q. Here is a copy of a letter from Mr. Grogan to you, Mr. Wells?—A. Yes.

Q. 'Ambrose is now running up and down the street telling everyone that he has been abused by the other lumber dealers in town; that they are trying to block him from getting lumber; that he is a friend of the people, and that he is going to get them cheap lumber. He offered contractors boards for \$15 while the No. 11 list for Pincher is \$15.50 for 8-inch boards which is medium width. He has told several of the contractors that he does not intend to open up a yard, but is trying to obtain orders that will make up carloads, and bring them in and deliver them direct from the car. On Saturday he unloaded car No. 48080, which came from the Elk River Lumber Company. This was sold to a man who is putting up a boarding house on the new Pincher Creek town site. Ambrose declares that he has lots more coming from the same place and is going to show us what he can do. I am to-day writing Mr. Wells stating that Ambrose is unloading this car.'

Mr. SLOAN.—Who is that letter signed by?

By Mr. Fowler :

Q. It is a letter addressed to Mr. Wells. Did you get a letter such as that?—A. I presume I did, something on that line.

Q. You do not recollect?—A. I don't recollect the individual letter, I don't admit at all that I do.

Q. Have you your letter book here?—A. I don't keep a letter book, Mr. Fowler.

Q. Have you got copies of the letters?—A. No, I have not.

Q. You did not bring your correspondence with you?—A. We probably have 100,000 copies of letters in the office.

Q. You have no remembrance then of what you did in connection with the Ambrose matter?—A. I don't remember exactly.

Q. Don't you remember you had quite a bit of correspondence with respect to it?—A. I think I had, but it was quite a long time ago and I don't remember the details of it at all.

Q. In a letter signed by you addressed to Mr. Grogan in the matter of E. G. Ambrose you thank Grogan for communicating the information that Ambrose was not a legitimate dealer and state that you have already instructed the Standard Lumber Company to defer shipping orders?—A. I think the Standard Lumber Company wrote asking me if he was a dealer?

Q. They were the gentlemen to communicate with you?—A. I think they were.

Q. How do you account for this letter then? 'I am just in receipt of your letter stating that Ambrose is not a legitimate dealer. I will immediately notify the Standard Lumber Co., Cranbrook, to this effect.' Would not that look as if you were notifying them?—A. They wrote to me first.

Q. It was not the very first notice you—A. The first notice I had was from the Standard Lumber Co., asking me if he was a legitimate dealer, and I wired to Mr. Grogan to know.

Q. Just look at that letter, I think you must be mistaken?—A. Mr. Fowler, I think that wire from me was in answer to one from him.

Q. I see, you wired to him?—A. I think so. I am sure I did.

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Q. I will take no recollection. You think the first communication you got was from the Standard people?—A. The Standard Lumber Co.

Q. I suppose when a new man sent in an order they would naturally show that to you?—A. Sometimes. This is one instance in which it occurred.

Q. The Company themselves would ask you whether he was a proper man to ship to?—A. Sometimes they referred things like that to me.

Q. Then you wired the secretary of the Retailers' Association?—A. Yes, to know if he knew anything about Ambrose.

Q. In order to carry out this understanding between your association and the other association?—A. I don't know as there was anything about any understanding between us.

Q. What else would it be for?—A. It would be to know whether he was a legitimate dealer or not, a regular dealer.

Q. Yes?—A. It is an understanding between our own association more than anything else.

Q. No understanding between your association and the other people that you would do this?—A. There is no understanding between us.

Q. You know what I mean by understanding, we have had that threshed out before. Not a written understanding, not a written agreement, but an understanding between the two associations. You have already said there was such an understanding?—A. I don't know whether there was any understanding like that arrived at, it is a gradual outcome.

Q. It has become an outcome?—A. Yes, it may be.

Q. It is a gradual outgrowth of the conditions between the two associations?—A. It may be.

Mr. FOWLER.—I do not say that there is anything wrong in it.

By Mr. Sloan:

Q. As a matter of fact, it was the outcome of your business relations with the retailers and your refusal to deal with the contractors direct?—A. Yes, but it depends upon what you mean by an understanding. If it means an agreement, why no.

By Mr. Fowler:

Q. The two parties did not come together and make a formal agreement?—A. No.

Q. But there is an understanding between you which is the outgrowth of the relations between you?—A. Very likely.

Q. Is that not so?—A. Very likely, yes.

Q. And that is why you wrote to Mr. Grogan in connection with this matter?—A. Further than that, if there is a man in a position to know I would ask him about it, he is the one I would communicate with.

Q. Of course he is secretary of the Retail Dealers' Association, and that would be the natural thing?—A. Certainly.

Q. Don't think I am trying to get you into any corner?—A. I don't think that at all. I want you to clearly understand what the understanding is.

Q. I am anxious to see the real conditions of matters myself?—A. And I am sure I wish you to understand it.

Q. Here is a telegram dated July 9, 1906, from you at Nelson to Mr. Grogan, in which you say: 'Is S. J. Marshall, Innisfail, regular dealer. Have orders from him. Answer.' You are asking the question?—A. Yes.

Q. You wired to Mr. Grogan to know if that man was a dealer?—A. Yes.

Q. And here is the answer: (Reads)

'9th July, 1906.

'G. P. Wells, Esq.,

'Secr. of Mountain Lumber Mnfg. Assn.,

'Nelson, B.C.

'DEAR SIR,—I have your wire of above date: "Is F. J. Marshall, Innisfail, regular dealer? Have orders from him: Answer." To which I replied: "No, Marshall,

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Innisfail, not a dealer," which we beg to confirm. I have never heard of the man, but expect he is a contractor.'

A. I can explain that very quickly, Mr. Fowler. There was a shipment on the way to F. J. Marshall, Innisfail, and I believe the car arrived there, and they could not find him. I was asked to find out by somebody—I forget who it was—and I wired to Grogan, asking him if he knew anything about him, and I found out afterwards it should have been Innisfree, instead of Innisfail, Alberta, and the shipment was made there. It was the wrong destination, that was all.

Q. And did Mr. Marshall get his lumber?—A. He got his lumber all right, and he was not a member of the association.

Q. He was not a member, but he had a yard?—A. He had a yard.

Q. I think you are correct about what you state that you began the communications with respect to Grogan with Ambrose, for I see among the correspondence the following letter. (Reads):—

'NELSON, B.C., April 7, 1906.

'A. M. GROGAN, Esq.,

'Calgary, Alta.

'DEAR SIR,—I am in receipt of a letter to-day from the Standard Lumber Company, of Baker, B.C., stating that they have received orders from E. G. Ambrose for shipment to Pincher Creek and Cobley, Alta., and that Mr. Ambrose states his intention to start yards at these points, and as his name is not upon your list, the Standard Lumber Company wish to be advised what to do. I have written them, asking them to defer shipments until it is ascertained whether Mr. Ambrose will become a member of the association.'

A. This occurrence, I think, was very shortly after the formation of that association—

Q. The Retail Dealers' Association?—A. Immediately afterwards, and would probably have a good deal to do with the taking of it up.

Q. 'Or at least that he is really going to enter the retail business on legitimate lines. Will you please communicate with Mr. Ambrose at once and advise me by wire whether he will join the association or not?' You seem to put stress there on his joining the association. Did you mean that in that way?—A. Well, I don't know as I did, Mr. Fowler. I think, from what I recollect, it was the wish of the manufacturers to have all recognized dealers belong to the association. It lends them a kind of stability.

Q. Excuse me?—A. I say I think it was the desire of the manufacturers to have all the retailers join the association. I think they wished to have it.

Q. They believe in——?—A. In looking up a man. It lends him a kind of stability to be recognized as belonging to a retail association; it gives them a standing.

Q. It makes it more convenient for the manufacturer, does it not?—A. It gives that dealer a certain standing financially and otherwise.

Q. No, here is a letter of April 23 to Grogan from you. (Reads).

'NELSON, B.C., April 23,

'*Re shipment to E. G. Ambrose by Elk Lbr. Co.*

'DEAR SIR,—I had a letter of explanation from the Elk Lumber Company to-day in which they plead guilty of the fact, but offer the explanation that Ambrose dropped off the train at Fernie, and stated that he was buying lumber to start a yard. That he was not yet a member of the retail association, but expected to be within a few days, and upon satisfactory financial references being given by him, they disposed of a car of cull boards to him, having also heard from a firm of bankers in Pincher Creek that he was starting a yard there. They accordingly shipped to him, thinking that they were acting in perfectly good faith and living up to the rules of the association.

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As this firm gives every evidence of a desire to do right, I think it would be as well to go no further with the matter.' You were just jollyng them along?—A. Certainly.

Q. Do you know what became of the Ambrose matter? Did he join the association?—A. I don't know whether he ever did, but I do know this: He bought all the lumber he wanted, that summer, from one of our principal members.

Q. Therefore, you think he must have joined the association?—A. I don't know.

Q. At any rate, you heard no more complaints?—A. I did not hear any more about it, no.

Q. Now, here is another complaint. 'The following is a copy of a letter from the Columbia River Lumber Co. to G. P. Wells:—

"It is quite true that we shipped three cars of lumber to Mr. O'Leary at Banff; Mr. O'Leary is superintendent of hotel construction, and we have probably shipped him 25 or 30 cars this season to various points. I have since learned that two or more of these cars were turned over to the Sanitarium Company at Banff; this was an arrangement between Mr. O'Leary and the Sanitarium Company with which we had nothing to do."

That is *re* complaint 109?—A. I might say, they started at No. 100.

Q. Why did you start at 100?—A. I don't remember just what my reason was at the time, but I know it is the fact.

Q. Was it to show the retail dealers that you were carrying out their wishes?—A. It probably had something to do with that.

Q. All in line with your jollyng of the retailers?—A. Something like that.

Q. The retailers will be a little suspicious of you?—A. I guess they are already.

Q. They will be very suspicious (reads): 'I have since learned two or three of these cars were turned over to the Sanitarium Company, at Banff.' Then there is another letter from you: 'I have written the above company to instruct the Canadian Pacific Railway officials that any lumber shipped them is for their own use only and for distribution to other parties.' That is you did not propose that the Canadian Pacific Railway?—A. Should act as a blind for shipments?

Q. That any shipments should be made through them entirely?—A. Through them, yes.

Q. Now the secretary of the Retailers Lumber Dealers' Association sent a copy of their rules and regulations to you, did they not?—A. Well, I don't know whether they did or not, Mr. Fowler. I don't think I ever read their rules. I am not sure whether I did or not.

Q. Do you remember at any time their sending a resolution to you?—A. I do remember something about a printed resolution that came in the way of threatening a boycott, something like that.

Q. In the way of a threat? You do remember that?—A. Yes.

Q. Was there any list of dealers sent with that?—A. They sent a list of their dealers in the first instance and then they sent additional ones from time to time so that we would have a complete list.

Q. About what time did you receive that resolution?—A. I could not remember that, Mr. Fowler.

Q. Would it be early in the game or late?—A. It was some long time after they were organized, I think.

Q. When were they organized?

The CHAIRMAN.—You told us in February?—A. February, 1906, I don't know. This would be some time in the summer, I think.

Q. The resolution was passed in May and this is your acknowledgment.

NELSON, B.C., May 12, 1906.

A. M. GROGAN, Esq.,
Calgary, Alta.

DEAR SIR.—I beg to acknowledge receipt of yours of May 8 with resolution passed at meeting of your association held on ~~May 8~~

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dealers in Alberta to-day, and I am advising our members both as to new list and resolution by circular to-day.

Thanking you, I remain,
Yours sincerely,

GEO. P. WELLS,
Secretary.

Q. You state here that you have received also a complete list of the retail dealers in Alberta?—A. That word is not used advisedly here.

Q. You did not intend to stand by that?—A. I did not intend to indicate that their association members are the only legitimate dealers. If it is used there it is used inadvisedly. That is not what my own opinion was at all or what I intended to express.

Q. I think there is some correspondence showing what your own view is. At any rate that does not express your own view?—A. No, sir.

Q. That would be the resolution would it not? It is already in evidence?—A. Yes.

Q. That is the resolution that came to you? Some complaints had been coming in before that?—A. Oh, yes, they complained, a great many dealers. I never took any notice of them sometimes.

Q. There were a great many complaints you did not take any notice of, therefore they would not be numbered?—A. They are simply filed away whether numbered or not.

Q. Here is another letter from you to Grogan: (Reads)

‘NELSON, June 23, 1906.

re Complaint No. 104.

‘DEAR SIR,—I quote you below reply from the Staples Lumber Company upon this matter:

“We believe the Kimberley mill did ship one car lumber to Jas. Greer, of Edmonton. This is the only instance of their shipping any orders unless we gave them shipping instructions. *Re* this car will say: As you probably know, Mr. Greer is a stockholder of the Kimberley mill and Mr. Gaskill explained that Mr. Greer was building a house in Edmonton, and the material they shipped him was for the most part cull lumber which was not included in our contract with the Kimberley mill. We felt that this was a peculiar case and told Mr. Gaskill as Mr. Greer was a stockholder, he could ship him one car of lumber.” I trust that the above explanation may prove satisfactory.’

A. That is in reference to some shipment to a consumer, I presume. I do not remember.

Q. To a man who was a stockholder in the company itself?—A. I did not know it. I mean when I was investigating whatever complaint it was, I did not know who it was.

Q. You did not think there was very much in that when a man was a stockholder in the company himself?—A. It would not make any difference.

Q. Do you think the rule would apply to prevent a man buying from the mill himself?—A. If a man has a reasonable excuse like that there is no considering about it at all.

Q. You see the construction that the Retail Dealers’ Association is putting upon it: That it would even apply where a man was an owner himself, that the mill could not sell to him?—A. The mill can sell to anybody it wants to.

By Mr. Lancaster:

Q. Early in your examination you talked of that, where they fixed it by agreement to charge the same price. In your early examination you were explaining what Mr.

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Fowler is now asking you, were you not, by saying they would be charged the same price up to themselves if they were running a retail business?—A. What Mr. Fowler was questioning me about was not shipping to a yard at all, but to an actual consumer.

Q. Not a retailer?—A. No.

By Mr. Fowler:

Q. They were shipping to a stockholder in a mill who was building a house himself and the Retail Dealers' Association as I understand—A. They were complaining about some mills shipping to consumers.

Q. But Mr. Greer was a stockholder in the mills?—A. They seemed to be under the impression that if they sent in a complaint of that kind and they looked it up and found the mill guilty we would fine them, or expel them, or inflict some dire punishment upon them.

Q. You have no intention of doing it at all?—A. No intention.

Q. You have no power or machinery for doing so?—A. No power, intention, machinery or anything else.

Q. Is there any penalty at all for any breach of their constitution or by-laws?—A. None, whatever. There is a penalty of no kind.

Q. It has been intimated that a deposit is made by these gentlemen by way of forfeit?—A. No, sir, there is no deposit.

Q. No deposit of any kind?—A. No, sir.

Q. In cash, marked cheque, or any form?—A. No way at all.

Q. No deposit of any kind?—A. No, sir.

Q. No penalties of any kind for breach of any rule?—A. None, whatever.

Q. Then your association from your standpoint is merely an association for certain legitimate purposes in connection with the lumber trade by way of regulating it?—A. Those things which I enumerated in my statement.

Mr. FOWLER.—Those things which are purely legitimate?

By the Chairman:

Q. Mr. Wells, you might expedite matters if you would give us some information in this form: Take the average for each province and tell us what portion is freight. Will you do that for us?—A. Well, it is rather a complicated question. If you wish to know the wholesale price delivered at any point I can tell you that immediately.

Q. In order to arrive at the wholesale price you must know what proportion is freight?—A. It would vary according to the shipment; you would have to take an average.

Q. Certainly, a millman could tell us that?—A. I can tell it to you just as well as a millman can.

Q. That is all I want. It is in your interest, as well as in the interest of the public, that they should know, in trying to arrive at whether the prices are excessive or not, what proportion is paid in freight?—A. You will have to take that as an average. They are all shipped by weight, you know.

Mr. SLOAN.—What Mr. Greenway asks for is an average point.

By the Chairman:

Q. The average point in an average shipment in three of the Western provinces, that is all?—A. There is certainly a witness here who was showing his statistics on that particular point. Yes, Mr. Ludgate would know. He has in detail the shipments from his mill, showing exactly where the shipments were.

By Mr. Fowler:

Q. Would it not make a difference how dry the lumber is?—A. Yes, it would make a difference; also, the kind of lumber

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By Mr. McIntyre (Strathcona):

Q. The question is as to how the price to the retailer is made up?—A. I don't know how the first prices were fixed, but the prices to-day are rather low.

By the Chairman:

Q. Here you have got, for instance, a 48-cent rate?—A. That is a coast rate.

Q. You have got 54 cents and 50 cents for a certain kind of fir, common. I think?—A. Those are the coast rates, the lists you are reading from.

Q. What I want to get at is, what freight is being charged by the railway company for the delivery of this lumber, which you say costs you \$14 or \$15?—A. I have not the figures.

By Mr. Fowler:

Q. Supposing that car of lumber is shipped to a retail dealer and that lumber, owing to certain reasons, is only half dried up. Who loses the extra freight on account of the greenness of the lumber?—A. The manufacturer.

Q. The manufacturer?—A. Certainly.

Q. How do you arrive at that?—A. Because the lumber is invoiced at the delivery figures. Well, then that invoice is footed up, and the total amount of freight is deducted from it, and he (the retailer) pays the balance.

Q. The figure is made up on a certain basis of freight, which means freight on dried lumber. Is that it?—A. I don't know how it was arrived at in the first place.

Q. The lumber is delivered to the dealer at a certain figure, so many dollars a thousand, delivered to those towns?—A. Yes.

Q. How do you make that up? How do you make up that delivered price? Is there a certain weight?—A. There is no basis price for weights, we could not do that. It has simply been started some time in the past, and these advances have been made on that.

Q. Away back in the dim distance?—A. I presume, it was started this way, that what the first list was based on largely was the cost to the mills of selling lumber to those points. I presume that is the way in which it was started; it was not figured out.

Q. And there has been no distinction made with respect to the freight since that time?—A. I don't know of any.

By the Chairman:

Q. Speaking from experience, I had a car of fir lumber—I was in the lumber business myself—shipped to me, and I paid considerably more freight than what I got for the lumber?—A. That frequently occurs, Mr. Greenway.

Q. That is something we ought to know, as near as we can?—A. I can tell you, approximately, what any kind of lumber would cost to any particular point.

Q. I thought it would simplify matters, if you would take an average point for each of the three Western provinces and give us the figures, if you would do if you were selling a customer lumber?—A. I can tell you, approximately. Take Calgary and Alberta and Regina.

Q. Regina would be a good point, and Brandon also, would it?—A. After you get down there, the difference in the rates is very little. After you get beyond a certain point, they give you a level rate.

Q. I fancy it is all the same in the province of Manitoba?—A. Take, for instance, any point in Manitoba, what we call a 33-cent point.

Q. It would be more than that, it would be 40, would it not?—A. Thirty-three cents from points in the mountains. It depends upon the class of lumber that is being shipped, as to what it would weigh, to determine the freight. It is, however, easy to do it. If you want the freight on boards, you have to take the average weight of boards, ordinary boards in fairly good shipping condition—mind you, this is taken

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from my knowledge of the business—would weigh on the average 2,500 pounds to the thousand, which would be, to any point in Manitoba, \$8.25 a thousand freight.

Q. This, you see, is a sort of talk all round. From whom can we get that information?—A. From Mr. Ludgate and some of the other witnesses.

Q. Then some of you will kindly get that information?—A. We will get that, yes.

By Mr. Schaffner :

Q. You are secretary of the association?—A. Yes, sir.

Q. That includes a number of mills, separate and distinct institutions?—A. Yes, sir.

Q. Have the millmen any contract among themselves, and if so, what is its nature?—A. Do you mean agreement among themselves?

Q. Yes.—Not that I know of.

Q. There is no agreement or contract?—A. None whatever.

Q. That they must sell at the same price?—A. None whatever.

Q. And there is no penalty if they do not sell at that price?—A. None whatever.

By Mr. Sloan :

Q. Do you know of any cases where prices on the list have not been adhered to at all?—A. Lots of them. It occurs every day that somebody is cutting prices.

By Mr. Schaffner :

Q. Is there any agreement?—A. No, sir, none.

By Mr. Herron :

Q. You say they cut prices every day? Is there an agreement that they shall not cut prices?—A. There is no agreement, there is an understanding that they will not do it.

Q. There is an understanding that each one will maintain the same prices?—A. Yes.

Q. On the same class of lumber?—A. Yes.

Q. There is an understanding?—A. An understanding such as I was talking about with Mr. Fowler a few moments ago, a general understanding.

By Mr. Schaffner :

Q. You say now that there is an understanding? I do not see how you draw the distinction and tell one man that there is an understanding and another man that there is not?—A. You asked me a different question.

Q. I asked you first if there was an agreement and then I asked you as to an understanding. I think that an understanding and an agreement are practically the same thing?—A. Certainly there is an understanding that they won't break these prices.

Q. There is an understanding?—A. Certainly there is an understanding. You asked me if there was an agreement and an agreement implies a different thing to me. You also asked me if there was a contract.

Q. As far as this is concerned it is practically the same thing?—A. A contract seems to be different to me from an understanding.

By Mr. Sloan :

Q. As a matter of fact the understanding you have is broken right along?—A. Broken every day.

By Mr. Herron :

Q. How many mills are in this association of which you are secretary?—A. About thirty-two.

Q. About thirty-two mills?—A. Yes.

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Q. And how many yards have you on the prairie that are identified with these mills?—A. I could not tell you.

Q. Would they amount to 50 yards?—A. I think some men who are operating mills and belong to our association are connected to a more or less degree with more yards than 50.

Q. Would they amount to 150, do you think?—A. Really I do not know anything about the retail end of it at all down there. I should think it would be fully a hundred anyway.

The committee rose.

TUESDAY, March 19, 1907.

The committee met at 4 p.m., Mr. Greenway, chairman, presiding.

The examination of Mr. Wells resumed.

By Mr. Fowler:

Q. Mr. Wells, you were going to produce some statement. This is the statement referred to (exhibiting statement)?—A. This is it, yes.

Q. As to rates?—A. This statement covers Calgary, Regina and Winnipeg, most of Manitoba and a big part of Saskatchewan.

Q. From Nelson to Regina and Winnipeg, &c.?—A. Yes, sir.
Document produced and marked Exhibit No. 44.

EXHIBIT No. 44.

Average shipments from Mountain mills consist of lumber only partially dried and often containing lumber direct from the saw.

The weights given below are approximately correct as applying to average shipments.

FROM NELSON TO REGINA, WINNIPEG, &C.

	Weight per M.	Rate.	Feet per M.
Common boards and dimension.	3,000	33	9.90
Shiplap.	2,500	33	8.25
Timbers—6 x 6 and over.	3,500	33	11.55
Matched lumber.	2,200	33	7.26

NELSON TO CALGARY.

Boards and dimension.	3,000	20½	6.15
Shiplap.	2,500	20½	5.12
Timbers—6 x 6 and over.	3,500	20½	7.17
Matched lumber.	2,200	20½	4.51

By Mr. McIntyre (Strathcona):

Q. Can you give me the difference between the rate to Calgary and to Edmonton?—A. I can give you the net rate. The rates vary from different mills, you know.

Q. What would be the additional cost between Calgary and Edmonton as far as freight rates are concerned?—A. I can tell you in just one minute. Do you want the difference between Calgary and Edmonton?

Q. Yes?—A. Well, from Calgary to Nelson it is 20½ and to Strathcona it is 6½ more—20½ and 26½.

By Mr. Sloan:

Q. That is from Nelson?—A. Yes.

By Mr. Fowler:

Q. A thousand feet of common boards is supposed to weigh 3,000 lbs. That is the average weight, is it not?—A. That, I think, would be the average weight of shipments in that part of the country in the way they are shipped.

Q. That is 33 cents a hundred, \$9.90 a thousand feet?—A. They would dry out undoubtedly a little more than that. The mills are never able to dry out their lumber to really shipping condition; they are shipping essentially green.

By the Chairman:

Q. They don't dry kiln there?—A. No, sir.

By Mr. Fowler:

Q. What difference in weight does it make when they have the lumber dry kilned, a thousand pounds?—A. Oh, no.

Q. 500 pounds?—A. It would not make over 500.

Q. Shiplap you would put at 2,500 pounds?—A. Yes, sir.

By the Chairman:

Q. Don't you think these rates are a little high?—A. I think they are about right for the way in which the lumber is shipped out there; it is shipped pretty green.

By Mr. Fowler:

Q. Dimension lumber you put at 3,500?—A. All along the Crow's Nest that timber, the cedar, would be lighter than that.

Q. Cedar would be lighter?—A. Cedar would be lighter, yes; and larch, tamarack and yellow pine.

Q. Spruce and fir?—A. Fir, and so on.

Q. Dry lumber would be 200 pounds; that is lighter generally?—A. That is always dried out.

By the Chairman:

Q. I had the impression that what we call green lumber was usually shipped at 2,500 pounds?—A. If it is really dried, it would ship at that weight.

By Mr. Fowler:

Q. From Nelson to Calgary is 20½ cents?—A. 20½ cents.

By Mr. Sloan:

Q. How many thousand feet are there in a car?—A. They average about 20,000.

By Mr. Fowler:

Q. To the car?—A. Yes.

Q. What do you say as to these rates? Have you any idea as to whether they are excessive or not?—A. I am sure I could not pass judgment on that; I would not attempt to say at all.

By the Chairman:

Q. Would it not strike you that making a flat rate in the province of Manitoba was a little unfair?—A. Well, I think the reason the railroads do that is they look upon the long haul as more profitable. They can afford to do that better than the short haul.

Q. There is such a variety of distances?—A. After it gets beyond a certain distance they seem to base their charges on that; that they can afford to take it, after it gets over a certain distance, for a long haul at a level rate.

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Q. There is no difference between Regina to Winnipeg?—A. No, sir.

Q. How about Moosejaw?—A. Yes, there is a difference. Let me see if it starts from Regina. It is just in that locality, anyway. No; it is 30 cents from Nelson to Regina.

Q. 30 cents?—A. Yes; and 3 cents more to Winnipeg.

Q. Then there is no flat rate between the two?—A. No, there is 3 cents difference. For instance, when you get down to Broadview it is 31 cents and Whitewood is 33 cents.

Q. Then it is 33 cents all over?—A. It is 33 all over.

By Mr. Sloan:

Q. What are you quoting from?—A. The Canadian Pacific Railway tariff.

By Mr. Fowler:

Q. What is the cost from the coast to Winnipeg?—A. 40 cents; that is the fir rate. Common cedar and fir are the same. When you get into high grade cedar it is 5 cents a hundred more.

Q. How do the grades of lumber compare between Mountain and the coast? Is there more or less of the first quality of lumber on the coast?—A. The coast has got us all beaten to pieces as far as quality is concerned.

Q. There is more on the first quality on the coast?—A. Yes.

Q. How does the Crow's Nest supply compare with the Mountain?—A. Well, in some little locality they might have a little better timber, but it runs about the same; the whole Mountain average is about the same. I may tell you, with respect to the invoices we were talking of this morning, that I analyzed some 3,000 shipments from all over the interior, and I found that common boards and dimension formed 85 per cent of the lumber shipped. That is, before you begin to take shiplap and then go from No. 3 and No. 2 grades up to the best quality—before you have come to these at all—there is 85 per cent of common lumber.

Q. 85 per cent of common?—A. Yes. That is over 3,000 cars shipped.

Q. How much would there be of clear?—A. Right through it would average 5 per cent.

Q. 5 per cent of clear?—A. That is not absolutely clear, but No. 1. It might have one or two defects or small knots in it, but not absolutely clear.

Q. You do not make any classification of clears at all?—A. There is finishing about that, what they call finishing lumber, but outside of one or two little localities in the whole interior, there is not very much got out.

Q. Then your classification is No. 1, No. 2 and No. 3 as common?—A. No. 1, No. 2 and No. 3 matched, and No. 1 and No. 2 common. Those are the principal divisions of the grades.

Q. And this 15 per cent is divided?—A. It is divided among the shiplap.

Q. Which is practically clear?—A. Oh, no; I beg your pardon. It is of the same quality as the common boards, but has a lap, a joint. I was not including that in the 85 per cent.

Q. You were not including that?—A. No.

Q. You put that in the 15 per cent?—A. That is in the 15 per cent.

Q. Then out of this 15 per cent comes all the shiplap?—A. All the shiplap and the No. 1, 2 and 3 matched lumber.

Q. That comes out of the 15 per cent?—A. 15 per cent of the shipments refer to these grades.

Q. And the 85 per cent is 1 and 2 common?—A. No. 1 and 2 common.

Q. What is the price of the best lumber that you ship?—A. To what point?

Q. Say to Winnipeg?—A. No. 1, I think from recollection, of clear pine finishing is the most expensive we put out. I think it is \$45.

Q. That is the highest-priced lumber you sell is \$45?—A. With the exception

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perhaps of clear cedar squares of which there is a few thousand feet on the whole season.

Q. That does not amount to anything. Of all the lumber you commonly sell your highest-priced stuff delivered at Winnipeg would be \$45?—A. I think it is \$45 or \$50.

Q. Your lowest price would be what?—A. I would like to refer to the price list, I don't remember the prices offhand, Mr. Fowler. Our lowest priced lumber is No. 2 common.

Q. Delivered at Winnipeg?—A. Our lowest-priced lumber is \$18.

Q. \$18 delivered?—A. Yes.

Q. That delivered at Winnipeg at 33c. would only net you a little over \$8?—A. Yes, that is all.

Q. At the mill?—A. \$8 to \$9, yes.

Q. What would that be—culls?—A. Well, it is not a cull practically, it is, say common boards with perhaps some defects in it.

Q. No. 2, what do you call No. 2 common?—A. No. 2 common.

Q. Culls would be cheaper?—A. What we regard as culls, is something they just pile up.

Q. You would not ship culls at all?—A. No, they would simply take what they could get for the pile.

Q. That would be more for the local trade?—A. They are not recognized as shipping lumber at all.

By Mr. Herron:

It is all widths?—A. Knotted ones, in fact the culls have got every defect you can think of and some you could pick up with a shovel.

By Mr. Fowler:

Q. Those are not shipped at all?—A. No.

Q. Your No. 2 common then would net at the mills about \$8.10 per thousand?—A. That would vary, according to the length of time they had been staying there and had dried out; it is according to the weight.

Q. We are speaking of a 3,000 lb. basis?—A. Certainly.

Q. What would No. 1's bring?—A. No. 1 common?

Q. Yes?—A. If you take 8 in. boards, No. 1 common for instance—

Q. We want to get at the average?—A. Well the boards run from 4 to 12 inches and the price is from \$19.50 to \$24.50.

Q. 8 inch?—A. \$23.50.

Q. That will give \$13.60?—A. \$13.60, yes.

Q. At the mill?—A. Yes.

Q. And what is your next grade?—A. No. 3 matched lumber.

Q. No. 3 matched I mean?—A. No. 3 siding, for instance, is \$26.

Q. \$26?—A. Yes—just a minute that can't be right, that is not right.

Q. Do you say \$26, is not right?—A. No, this schedule is all crooked. Yes, \$26 is right.

Q. That would net you, \$7.26 is your rate on matched, that would give you \$18.74?—A. I do not understand it, this cannot be right.

By Mr. Sloan:

Q. Here is the January 16th list, try that?—A. It is \$24.

Q. Instead of \$26, for No. 3 matched?—A. Yes.

Q. That will be \$16.74. Now take No. 2 matched?—A. \$30.

Q. \$7.26 off that, that is \$22.74. Now then No. 1?—A. \$33.

Q. Is that the highest priced lumber you sell?—A. That is the highest price for the common kind I think, until you get the clear finishing, something like that.

Q. Can you tell us what proportion, what percentage out of 100 would No. 2 come to?—A. I can only tell you that from—

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Q. As near as you can ?—A. From my own innate knowledge of it, I have not any statistics on that.

Q. I want it from your knowledge, by the way, what experience have you had in connection with the lumber business ?—A. I was in it twenty years before becoming secretary.

Q. You ought to have some knowledge, then ?—A. Of course there is a difficulty in answering that for the reason that it varies more or less at the different mills.

Q. I understand that, but having in view all those conditions and circumstances let us have, as near as you can, your idea about what percentage out of 100 per cent would be No. 2 common ?—A. I should judge it would be about 8 to 10 per cent.

Q. How much ?—A. About 8 per cent I should think, it is pretty hard for me to say.

Q. I understand that, but I want you to give us the best estimate you can. Now, take No. 1 common ?—A. Well, I think that in No. 1 and No. 2 common it would probably be 10 per cent.

Q. The two together ?—A. Yes.

Q. That would be 10 per cent on the whole ?—A. I should think so, yes.

Q. No. 1 and No. 2 would be 10 per cent ?—A. I do not like to make these comparisons because it might be something I might fairly well be off on.

Q. I understand that, how do you divide the two, because I want to get them divided; would it be 8 and 2, or 5 and 5, or 6 and 4, or how would it be ?—A. I could not tell you about that, I am not sure. I think that No. 1 matched lumber runs about 4 and 5 per cent.

Q. And the other about 4 or 5 per cent ?—A. Yes.

Q. Well, we will put them at 5 each, divided equally. Now, Mr. Wells, we will take No. 1, 2 and 3 matched ?—A. No. 3 matched is practically the same grade as common.

Q. How much will there be of that, about 5 per cent ?—A. Somewhere about that. I am not sure about that.

Q. About how much No. 2 matched ?—A. Well, sir, I could not tell you that. I would not like to make a statement.

Q. I am not asking you for a positive statement, you misunderstand me altogether, you have more than twenty years experience in the lumber mills, you have been associated practically all your business life in the lumber trade and surely you ought to be able to give us some idea how these quantities run. I understand you cannot swear positively because I know how they vary, but having regard to all these conditions and variations at the different mills and limits, give us from your experience as near as you can approximately how these do run ?—A. When I was a manufacturer our percentage used to run about 3 to 4 per cent of No. 1.

Q. We have not come to that yet.—A. No. 3 would run more than that, it just depends on how much No. 3 a mill would want to put into manufacture, some mills prefer to put it into common, which is the same grade.

Q. Well, then, if No. 1 and No. 2 is of much the same grade ?—A. No. 1 and 2 are not.

Q. No. 3 matched and No. 1 common are practically the same ?—A. Practically the same.

Q. In that case would it be in equal amounts ?—A. It just depends on how much the mill wanted to manufacture.

Q. Now then, take No. 2 matched ?—A. I cannot be sure even to approximate figures of No. 2, what we can put it.

Q. Would it be ten per cent ?—A. Yes, I think it would be 10 per cent.

Q. Now then we come to No. 1 matched ?—A. I say four or five per cent.

Q. What other classes do you make besides No. 1 and No. 2 common, No. 3, No. 2 and No. 1 matched, what other classes ?—A. The shiplap, that is common lumber.

Q. Have you already included that in the percentage you have given us ?—A.

I am not quite so clear whether that was in the 85 per cent. or not, I think probably it was.

Q. Never mind about the 85 per cent, what I am speaking about now is when you gave us the No. 1 and No. 2 common?—A. No.

Q. What percentage would you want to put down to shiplap?—A. That would depend on how much the firm wanted to make.

Q. But I say under ordinary conditions, 5 or 10 per cent?—A. Oh, all of that.

Q. Ten per cent?—A. Yes, probably.

Q. What else do you make out besides shiplap and common and shorts?—A. We get out some clear finishing.

Q. That is the only other quality?—A. Well, practically, so far as I know, yes.

Q. Give us the price of shiplap?—A. There were some mouldings got out too.

Q. You would include all that in one price, would you not?—A. I do not know anything about mouldings, I never made them.

By the Chairman:

Q. Mr. Fowler asked you the price of shiplap?—A. At Winnipeg, Mr. Fowler?

Q. Yes, at Winnipeg?—A. Four inch shiplap is \$20.25; six inch is \$23.25, and 8, 10 and 12-inch—

Q. Give us the 8-inch first?—A. They are all the same price, \$24.25.

Q. And the rate on shiplap is?—A. The same rate about.

Q. Take \$8.25 off?—A. That would leave \$16.

Q. Now then you have not given us the price of the finished, that is the only other thing we have to consider now, the finishing?—A. Well, it varies according to whether it is made of pine, or fir, spruce, larch, or what kind of wood it is—or cedar.

Q. Can you give us the average of it?—A. I will just show you, No. 1, clear pine finishing is \$45.

Q. Now give us another?—A. No. 1 finishing, fir, spruce, larch, hemlock is \$34, that is \$11 per thousand difference, because it is a different kind of lumber.

Q. Well, then—A. Well, then, No. 2 finishing, all kinds, amounts to \$30.

Q. Could you give percentages of No. 2 and No. 1?—A. I could not give you any percentages at all.

Q. That would go at the same rate as matched wood?—A. Yes, it goes at the same rate.

Q. Now, according to your best estimate, Mr. Wells, you gave us No. 2 and No. 1 common 10 per cent out of a hundred; No. 3, 5 per cent; No. 2 also 5 per cent; No. 2 matched, 10 per cent; No. 1 5 per cent; shiplap 10 per cent. That would make a total of 40 per cent and 60 per cent would be clear finish?—A. No, there is all the common lumber to add on.

Q. We have No. 1 and No. 2 common?—A. That is No. 2 matched. No. 2 common you did not ask me that at all. I stated in the first place from recollection of statistics.

Q. You must have misunderstood me then?—A. I don't think so.

Q. You must have misunderstood me. I certainly asked you with respect to No. 2 and No. 1 common. I asked the prices and the percentages.—A. I thought you were asking me about No. 1 and No. 2 matched lumber.

Q. I asked you about No. 3, No. 2 and No. 1 common?—A. Well, about No. 1 and No. 2 common I could not tell you the figures about that.

Q. I presumed you did?—A. I misunderstood you then.

By Mr. Sloan:

Q. It is a well known fact that lumber only manufactures 5 or 10 per cent first-class lumber, you have got 40 or 50 per cent?—A. I misunderstood you; I did not think you were talking about common lumber at all.

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By Mr. Fowler:

Q. What do you say now then?—A. I say that from my distinct recollection of checking invoices that it is practically all No. 1 common. There is not very much No. 2—I don't know what the percentage would be—but the common lumber constitutes 85 per cent of shipments, and the No. 1, No. 2 and No. 3 matched lumber with the finishing constitutes the balance of 15 per cent. I could not tell exactly the percentage or give you any information as to how they are divided.

Q. That is the best you can do?—A. That is the best I can do.

Q. I will tell you what I want you to find out; just what this was worth, to get an average as near as you can give it what the results were to the mills?—A. Some of the actual manufacturers can tell you better than I can.

Q. Surely there is some one can tell us the proportions and the prices?—A. That is all covered exactly by an affidavit as to the net sales of the lumber, if that is what you are driving at. The net sales of the lumber cover all the percentages; that is the way you would arrive at them.

Q. I think we can arrive at them in another way. Take the several rates?—A. Well, as I say, those that are now in the manufacturing business—I have not been in it for two or three years—can give you the information a great deal better than I can on this subject.

Q. You think you cannot do any better?—A. That is from recollection.

Q. Than to state 85 and 15 per cent respectively?—A. Yes.

Q. 85 per cent for common and the 15 per cent—does that cover all the matched lumber?—A. That covers all the matched.

Q. And the cleared?—A. Yes.

Q. Everything except the culls and the common?—A. Yes.

By Mr. Herron:

Q. You turn out a quantity of finishing lumber, half an inch thick, don't you?—A. Finishing?

Q. Yes, I suppose you do turn out some?—A. There is more or less of that.

Q. What percentage of that 15 per cent would be sawn into half-inch stuff?—A. I could not tell you that at all, Mr. Herron; I don't know.

Q. That half-inch stuff when manufactured in that way sells the same as inch lumber for the same price. Everything is figured on an inch thick. Supposing it is sawed into half inch?—A. They charge you a less price for it. It would be figured as inch, but it would be at a less price.

Q. Do you know the quantity which would be measured as inch stuff?—A. Measured as inch? Yes, all boards measure an inch.

Q. How many meetings have you held of your association since its formation in February, 1905?—A. In September, 1905.

Q. Well, September, 1905, up to the present time?—A. We have held seven or eight or perhaps nine meetings; I could not tell you exactly.

Q. Perhaps nine meetings?—A. Perhaps, yes.

Q. Have you the minutes of all those meetings here on the table?—A. Yes, sir.

Q. The minutes of all the meetings?—A. Yes, sir.

Q. Have you copies of all the circular letters that you have distributed and sent out to the different yards during all that time?—A. I think I have nearly all—all that I could find anyway. I thought the circular letters would be required, and I took every one that was in the office and brought them.

By Mr. Fowler:

Q. Did you send out circulars to the yards—to the retailers?—A. Occasionally I would advise them of such things as an advance in prices.

Q. You did not send those circulars to the secretary of the Retail Dealers' Association?—A. I don't think I sent him one.

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Q. You sent them yourself direct to the dealers?—A. Sent them direct to the dealers and advised them of the advance.

Q. The mills did not send them up, you sent them?—A. I sent them, yes.

By Mr. McIntyre (Strathcona):

Q. If you were wanting to find out whether a man was a dealer or not who gave an order to the mills, with whom would you communicate?—A. Well, the best source of information would be either somebody in his locality or perhaps the secretary of the Retail Dealers' Association.

Q. You did not invariably follow the rule of applying to the secretary?—A. No, sir.

By Mr. Knowles:

Q. Do you know anything about any circulars or letters which were sent out in February a year ago advising the retail dealers that there would be an advance of price shortly?—A. I probably would.

Q. Well, in a matter of such importance can you not be a little more definite in your statement than simply saying probably?—A. I presume I would have a copy of the circular I have a great many circulars.

Q. Did you often make a habit of advising them of a prospective rise?—A. No doubt I did. I don't remember exactly, but I have no doubt I did.

Q. You may have done it or you may never have done it, is that what you mean?—A. I say I don't remember having done it.

Q. You don't remember having ever done it?—A. I don't remember distinctly.

The CHAIRMAN.—I understood Mr. Wells to say he has copies of the circulars?

The WITNESS.—I have copies.

By Mr. Knowles:

Q. You have not made it known that you have brought all the circulars?—A. What I have brought practically covers the whole ground from start to finish.

Q. You yourself made a qualified statement that you had pretty nearly all you could find?—A. I did not say that I had every one that I had ever sent out.

Q. Have you them all?—A. Every one I ever sent out?

Q. Yes?—A. No, I don't think I have.

Q. And do you say you do not recall ever having advised the retail dealers of a prospective rise in advance of prices?—A. I don't recall it, no.

Q. Was it part of your policy or system to do such a thing?—A. I would do so if it occurred to me to do so; that is, advise them there might be a prospective rise in prices.

Q. You do not recall ever doing it?—A. No, I do not recall ever doing it; no.

Q. Where are your circulars?—A. They are here.

Q. Are they arranged in chronological order?—A. I do not know; they were put in as I picked them up.

Q. These are circulars, they are no ordinary correspondence here, they are all circulars?—A. They are all circulars, some of them were attached to correspondence at times, and I might have given out one, if any one came into the office and wanted a copy; but those are the only ones that would be missing—they are nearly all there.

By the Chairman:

Q. I would suggest that if you want to look these over, you can do so at your leisure, Mr. Knowles, and we will go on with another witness.

By Mr. Fowler:

Q. Just before you leave that now, I have been figuring up the evidence, and I want to see how far we can go with respect to prices. You have stated that No. 2 common and No. 1 matched are about equal?—A. That is an ~~average~~ average.

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Q. That would be \$21.70, which would be an average of \$10.85, counting them about equal in amount as they are equally divided. Do I understand you to say that No. 2 and No. 1 common would be equal?—A. No, sir, you do not; there would be a great deal more No. 1 common than No. 2 matched.

Q. What would be a fair proportion of that—85 per cent?—A. Yes, more than that.

Q. Out of 85 per cent how much of that would be No. 1?—A. I should think fully 90 per cent would be No. 1.

Q. You could not have 90 per cent out of 85 per cent?—A. Yes, 90 per cent of the 85 per cent.

Q. That would be 76½ per cent?—A. About that.

Q. That would be at a higher price?—A. Yes.

Q. That brings the amount larger than I thought. 76½ per cent of this would be \$16.30. Then No. 1 you say would run about 76½ per cent and 8½ per cent would be No. 2? You cannot give us any percentage in the division there of the other 15 per cent?—A. I could not.

Q. No. 3, 2 and 1 matched, are you speaking of shiplap now as in the common?—A. The shiplap is different in price to common lumber you know.

Q. I know it is my fault of course, but I do not seem to be able to make myself clear about this. At one time you said shiplap was of the same grade as far as common is concerned?—A. As common lumber.

Q. When you say 85 per cent is common lumber, do you include shiplap in it?—A. That would be included in the 85.

Q. What portion of the 85 per cent would be ordinary, average output of shiplap?—A. Well, I could not tell you, I do not know, I cannot remember.

Q. Can you give us an estimate at all?—A. No, I would not estimate it.

Q. Is there any way of ascertaining?—A. Yes, you can ascertain these figures probably right down to the finish from some of the manufacturers that are here.

Q. You were for twenty years a manufacturer?—A. I would not speak off-hand from memory.

Q. These gentlemen that are here would not probably have the figures with them?—A. I think they have, they can speak with far more decision offhand having been engaged in the manufacturing business right up to date, than I can.

Q. You say from your experience you cannot undertake to estimate it?—A. I would not undertake to do that.

By Mr. Sloan :

Q. Some of the manufacturers can do so as far as their mills are concerned?—A. Every firm would be able to do it with regard to its own mill.

By Mr. Herron :

Q. The freight rates we have been figuring out amount to something like 40 cents. Is not that about the highest freight rate from British Columbia that we have been figuring on? I mean these rates have reference to the weight of lumber, that is, with reference to how dry it is and whether dressed or not. Are we figuring on the very highest rates?—A. It is 5 cents per 100, some freight is higher than that, cedar, 40 cents is the highest rate that applies to the big bulk of the shipments.

By Mr. Knowles :

Q. Have the minutes been identified and marked as an exhibit?
(Minute book produced and marked Exhibit 45.)

By Mr. Herron :

Q. Have you the cash book there showing your expenditure and also your receipts?—A. I haven't it here.

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Q. You have not got that?—A. No, our cash book is simply a record of the assessment per thousand and the charge for carrying on the association, and the disbursements, that is all it consists of.

By Mr. Knowles :

Q. What are your average receipts of the year?—A. For the association?

Q. Yes?—A. Well, for this year past, a charge of 3 cents per thousand feet on the different cuts is made, it is based on that, and that will probably produce \$8,000 or \$9,000, in that neighbourhood.

Q. What do the disbursements consist of chiefly?—A. Oh, my salary, rent, light, postage, clerical help.

Q. You do not think under ordinary circumstances the disbursements would eat up \$8,000 a year?—A. That is not very large.

Q. They would not be over \$10,000 anyway?—A. No sir, I hope not.

Q. And you did not understand this subpoena that you received as meaning all your books, when it says, 'All such other documents relating to the work of the association?'—A. No, I asked several opinions out there as to whether I should bring anything else. I asked a lawyer's opinion and he looked at the books and said he did not think the subpoena applied to them.

By Mr. Herron :

Q. You could get them yet by wiring for them?—A. Yes, I could get the cash books and journals.

By Mr. Knowles :

Q. Have you put in your official correspondence?—A. No, sir, I have not it here this morning. I do not keep a letter book and the correspondence consists of probably 100,000 letters. I would need to bring it here by freight if I brought it at all.

By Mr. Fowler :

Q. Do I understand you to say there are 100,000 letters?—A. Yes, probably, I think there are.

By Mr. Knowles :

Q. What are they in relation to?—A. I put in the purposes and objects of the association in a written slip this morning. I think it explains what the association is.

By Mr. Sloan :

Q. I understand you have a hundred letters a day?—A. Yes, fully 100 a day.

By Mr. Fowler :

Q. How many clerks have you there?—A. Two.

By Mr. Knowles :

Q. What work do you carry on there?—A. What I put in this morning will explain what we carry on there the cost, &c.

Q. If there is anything you do not understand now you will be able to explain in the morning?—A. Yes.

Q. What is the income in your office? What would be the average income of your office this year?—A. This year the cuts that are charged would be probably between 250 and 300 measured at 3 cents a thousand.

Q. You get 3 cents a thousand?—A. We make an assessment to cover our expenditure and we base it in that way.

Q. Would you receive \$7,500?—A. It would be more than that. It would be between that and \$9,000 this year.

Q. And it costs you \$1,000 for postage stamps?—A. Yes, \$1,000.

The witness retired.

APPENDIX No. 6

Mr. EDWARD HEWETSON HEAPS sworn.

By Mr. Fowler:

Q. You reside in Vancouver, Mr. Heaps?—A. Yes, sir.

Q. You are a lumber manufacturer?—A. Yes, sir.

Q. You run a mill there?—A. Yes, I have three mills?

Q. All three situated in Vancouver City?—A. One in Vancouver, one about 30 miles east of Vancouver, and another near the boundary line.

Q. At what point is the one 30 miles east of Vancouver?—A. At Ruskin.

Q. How much lumber do you cut at your Vancouver mill on an average?—A. We used to cut from $1\frac{3}{4}$ to 2 millions a month, but we had a fire and our place was burned down in October last.

Q. You would cut about 20,000,000 a year?—A. About that, yes.

Q. How much would you cut at the Ruskin mill?—A. The Ruskin mill is a box mill; we cut shingles and lumber there. The mill has a capacity of about 20,000 ft. a day, the saw-mill, and we have 10 shingle machines with a capacity of 225,000 to 250,000 a day.

Q. Now reduced to lumber both your shingles and your actual lumber could you say how many million feet the Ruskin mill would cut?—A. Equal to 50,000 a day in lumber, that is speaking roughly.

Q. You run about 10 months in the year?—A. 10 months.

Q. You would cut about 10 or 12 millions?—A. About that.

Q. Take your boundary mill, at what point is that?—A. Hazlemere, near the international boundary line.

Q. How much is cut there?—A. In that small shingle mill we cut about 90,000 a day.

Q. Which would be equal in lumber?—A. To about 9,000 feet.

Q. 9,000 feet a day?—A. Yes.

Q. That would be about $2\frac{1}{2}$ millions a year?—A. Yes.

Q. About 35,000,000 then would be along about your average?—A. It depends a good deal as to whether we cut the shingles out of logs or shingle bolts. Cutting them out of shingle bolts there is, of course, a little more weight in the wood, and that would mean actually more lumber.

Q. Roughly speaking then you cut about 35,000,000 a year?—A. Somewhere about that.

Q. You had a long experience in lumbering in British Columbia?—A. About twenty years.

Q. You have not had these mills during that time, but that has been your experience?—A. Yes.

Q. About what would be the net price you would obtain for your lumber at Vancouver? You do not cut any shingles at the Vancouver mill?—A. Oh, yes, there is a box mill.

Q. When you speak of 20,000,000 feet at the Vancouver mill you mean including the shingles?—A. No, exclusive of the shingles.

Q. What would be the average net price of your lumber?—A. The net price realized?

Q. Yes? Take last year. Up to the time you went out of business?—A. That would vary from month to month according to the quantity we shipped to each market. Our sales were divided between the local trade—the car trade—and shipping trade.

Q. And export trade. Well, could you give us an idea—I do not expect you to give it accurately if you have not the figures with you—to show what your lumber netted that you sold lately and shipped to the prairies?—A. If I remember right—I am not well posted on that point because I did not look very closely into the different departments—with regard to the car trade last year our price was about \$16.50 roughly.

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Q. That is what you sold in the city of Vancouver itself?—A. No, that would be the car trade.

Q. Did that include the city of Vancouver?—A. Exclusive of the local trade, that is exclusive of the city of Vancouver.

Q. Exclusive of that?—A. Yes.

Q. That would be really the prairie trade?—A. What we call the car trade.

Q. That would net you about \$16.50?—A. Somewhere about that.

Q. Do you get your logs from your own limits?—A. Yes, we have a logging department. We have a separate company, a logging company that does all the lumbering.

Q. Do they own the limits?—A. No.

Q. They just do the lumbering?—A. Just do the lumbering.

Q. You supply the stumpage?—A. The company itself owns a considerable acreage of timber, but not all of it.

Q. What would you pay for logs during the season of 1906 up to October when I think you said the fire occurred?—A. The cost of our logs up to the end of last year? That is for the whole of last year?

Q. Yes?—A. We had logs coming in during the whole of the year, even after the fire. The cost was \$7.03.

Q. At the mill?—A. At the mill.

Q. What would that include?—A. Everything with the exception of government stumpage.

Q. Crown dues?—A. Yes.

Q. That is 50 cents?—A. 50 cents.

Q. Do you count anything for your stumpage?—A. Nothing at all.

Q. That just means the wages of the loggers and the towing?—A. The wages of the loggers and the towing.

Q. And does not include the Crown dues?—A. No.

By the Chairman:

Q. That would make \$7.53 altogether?—A. Altogether. I would like to explain, Mr. Chairman, that is not really the net cost of logging; that was the market price for logs last year.

Q. We are not talking about that. To that you would add 50 cents. Did these logs all come off your own land?—A. Some of them did.

Q. What would you add for stumpage? You think that is a fair price having in view all the circumstances?—A. That depends entirely upon the position of the timber.

Q. The locality?—A. An ordinary claim now should be worth, if it is favourably situated with regard to the water, a dollar a thousand stumpage.

Q. Supposing it is what we call 'four loads a day' to the water?—A. We don't use that term in the west.

Q. I am using the eastern term?—A. Within a mile I think a fair stumpage would be \$1.50. If it goes beyond a mile—

Q. Up to how far?—A. From one mile to two miles—I am giving you my own opinion—the stumpage should be worth less, say \$1. When you get beyond that of course it is just a question of facilities for taking out the logs and what kind of outfit you have to put in.

Q. When you speak of \$1, you mean in addition to the Crown dues?—A. In addition to the Crown dues.

Q. Then in addition to paying Crown dues on those limits, you have to pay?—A. \$140 a year.

Q. Per square mile?—A. That is, of course, on recent licenses that have been taken out in recent years.

Q. But when the licenses were not increased?—A. The old licenses were increased,

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but there are a lot of leases still in existence upon which the charge is still only 5 cents per acre, some go 10 cents.

Q. \$32 per mile?—A. Yes.

By Mr. Sloan:

Q. Does this include any charge against the mill like plant, wire, cable, &c.?—A. Nothing. I would like to begin this, to show the committee from the beginning what expense the owner is at in the case of logging. I think that would probably give you some of the information you have asked for from previous witnesses. With regard to taking up the limits, that in itself is a costly proceeding. We have to maintain cruisers at pretty high wages in order to secure the timber. We either do that or else buy the timber out and out from some parties who have gone to the expense of crusing it and finding it. I do not know what the custom is with other lumber concerns, but in our business we have held limits for a good many years, and we have not charged anything against the cuts produced for holding all those limits. That is, we charge the annual rental and 6 per cent interest up to the cost of the limit itself.

Q. You do not charge that in your maintenance account?—A. No, I have always considered it was a separate business entirely from the manufacture, and that the timber limits ought to really stand as a separate business. Of course, the holding of limits is carried on by speculators as a separate business, and in an ordinary accounting system it ought to be separated from the cost of manufacturing.

Q. Would you separate it from the profit?—A. Yes, decidedly.

Q. You would separate it from the profit?—A. Yes; I think the proper plan is to charge a certain stumpage against the lumber.

Q. You keep the mill account and the limits account separate, and charge up to the limits everything that went into the limits, in the way of mileage, keeping up cruisers and fire protection?—A. To the limit account.

Q. And then you credit the limit account with so much per thousand for every thousand taken off it?—A. In that way the cost of the limit would be extinguished as lumber is taken off.

Q. It is a matter of bookkeeping?—A. It is a matter of bookkeeping.

Q. Do you think a man would be very unwise to put a large amount of money into building a mill and not have limits behind him?—A. Yes. I notice a question was asked a man at yesterday's meeting as to whether the cost of holding limits was not taken into account in the cost of the lumber. I think that question came up.

Q. Are you getting away from that? After all, are you not doing the same thing if you charge stumpage?—A. No, sir, for this reason, we buy logs, and I consider our own logs ought to be treated just the same as if we bought logs in the open market, because if we are carrying on a logging business we are carrying on a separate business, and are entitled to a separate profit for it, and it is only fair to charge the mill the same rate you would if they bought the logs in the open market.

Q. After all, does it not come to the same thing if the same man owns the limits and the mills? Because you are going to charge stumpage enough to cover the cost of carrying them?—A. It makes this difference that you cannot deceive yourself into the belief that your mill is making a profit when it is not doing so at all.

Q. We are looking at this question from the standpoint of the consumer, and the impression here is that many mills are carrying much more property than they require for the purposes of their mill, for speculative purposes. Supposing 20 square miles is sufficient for a man's mill, and he is carrying 25 square miles and he expects a profit on the whole cost of that. He may have \$1,000,000 invested, of which \$200,000 is in the mill and \$800,000 in the limit. I understand Mr. Herron's contention is that he should only expect a profit on the mill, and not on the limit, out of the operation of the mill?—A. My reply to that is that we do not pursue that practice, we keep our logging operations entirely separate from the mill business, and in or-

der to do that effectually we have actually started a new business as a logging company and have incorporated as such in order to keep it separate.

By Mr. Sloan:

Q. Have you ever purchased limits from independent cruisers?—A. Yes.

Q. What is the highest price you have paid for them?—A. The highest price we have paid for them now is \$5 per acre.

Q. And you have to pay the licenses from year to year?—A. Yes.

By Mr. Fowler:

Q. Mr. Heaps, in keeping these separate you would charge stumpage to make profits upon the limits, would you not?—A. I would charge the ordinary market price for timber. You would necessarily do that.

Q. So that it really amounts to the same thing in the end, you are expecting a profit on the limits you carry the same as the other men?—A. Exactly, I think it is only the right way.

Q. It is a question of bookkeeping?—A. It is a question of bookkeeping.

Q. I am not disagreeing with you at all, but I am trying to ascertain the facts. Now you say that the net amount you received from your lumber, your car lumber, is \$16.50?—A. I think if you will permit me it will be better to follow the operation right through, commencing with the logs, to show you the cost of logging and how that has been increased lately by the increase in wages.

Q. I intend to come to that, that gives us the data to go upon. You say that is the actual net amount you are receiving, and I want to see how you make that up. Will you tell us how you make up those different charges?—A. I do not quite catch your question.

Q. You have told me what the net amount you get for your lumber is, so far as the buyers, that is the consumers are concerned, I want to see how you make out that amount.

The CHAIRMAN.—How you make up the amount of the cost.

By Mr. Fowler:

Q. That is what I want you to give the committee?—A. I understand you want me to make up how I arrive at the average price?.

Q. Yes.—A. That is done by taking the sales month by month and averaging the prices realized on the different grades of lumber. They may vary a good deal from month to month, because one month we might be shipping low grade lumber and next month we may be shipping upper grade. The figures for one month or one or two months would be of very little good to you and the only way is to take the average for the year.

Q. You have done that and you get \$16.50?—A. Yes.

Q. Let us see how much this lumber cost you.—A. I think I have already stated that the cost of the logs was \$7.53 including the Crown dues, the ordinary cost of manufacture is including the different processes we have to put it through, and that is drying, dressing, shipping and other charges, insurance, and all the charges that ought to go against the manufacture, would be about \$6 per thousand.

Q. About \$6 per thousand?—A. Yes, now in addition to that there is a charge, or there should be a charge for head office expenses and we have generally figured that as costing about \$1 per thousand.

Q. \$1 per thousand for head office, now then that would be \$14.53?—A. About that, yes.

Q. You have put in that, or did you include in the \$6 the stumpage?—A. No, that would appear in the cost of the logs, we have taken the cost of the logs at \$7.53. I think I stated before that in the \$7.53 I mentioned that was the net cost of logging only, that does not include anything for stumping at all, no.

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Q. I want to know what the \$7.03 includes? What will we add to that for stumpage?—A. In some cases the logs we used last year were purchased. Of course in that case we could not add anything for stumpage. Of course the stumpage would be included in the price that was received. We had a number of contracts which extended over into the beginning of last year where the price was as low in some cases as \$5 per thousand—running all the way from \$5 to \$7—and that brought the average cost of our logs down to a very low figure last year.

Then the \$7.03 includes the cost of stumpage of these logs anyway?—A. Yes.

Q. How much would you add then, for last year say, to your own for stumpage?—A. About 50 cents, I should think.

Q. That gives us \$15.03. I think you told us the price you received was \$16.50 so that \$1.47 would be your net profit on your prairie trade?—A. Yes.

Q. Of course your local trade would be better?—A. The local trade is better. It is from a dollar to a dollar and a half better according to the average of the grades we sell.

Q. And your export trade would be better too?—A. Our export trade at the present time is nearly \$2 a car better than the car trade.

By Mr. Sloan:

Q. You get \$18.50 for your foreign trade?—A. \$18 to \$18.50.

By Mr. Fowler:

Q. That is naturally understood. You have a right to make a decent profit on your prairie trade as well as on your local trade?—A. We look at the car trade really as a necessary evil; we ought not to have to cater for that market at all.

Q. The foreign trade is what you look to principally?—A. We are so situated at the coast that eventually we shall have to look to our foreign trade for a market.

By Mr. Herron:

Q. Is it not the fact that you export the best class of lumber and that what you sell on the prairie are the lowest grades?—A. No., of course as far as the foreign trade is concerned?

Q. That is the best?—A. It depends really on what grade is called for in the specification as to what is shipped. We sell a lower grade locally than we ship to the Northwest.

Q. That is in Vancouver?—A. The local trade takes a lower grade usually than the car trade.

By the Chairman:

Q. While upon that point, we have had some figures presented to us showing the cost of operating certain mills, I think they call it wages, mill supplies, repairs and general operating charges. That varies from \$3.44 to \$7.19 and some between are \$5. Can you give any explanation of that?—A. I think I can explain that perhaps by relating our own experience. In our mill which was burned our expenses were very much higher per thousand feet than in the temporary mill we are operating at the present time. We had to put up the mill in a hurry, double circular with roller bands, and we have cut lumber there and put it on the car for very nearly half of what we did in the large mill. But this was simply because we were doing less at it. That is to say we had no dry kiln expenses; it went green through the stock planer and was sized and shipped. In that way you see it would be quite correct for me to say that the cost of manufacture would run all the way from \$2.50 to \$5 or \$6.

Q. That is the way you account for this, a different class of mill?—A. Yes.

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By Mr. Fowler:

Q. What by-products are there in connection with the mill? Take your own mill for instance, what are the by-products?—A. We have lath and wood, sometimes a few shorts.

Q. How much would you consider your lath would come to per thousand feet?—A. Do you mean how much of a figure it would go into in reducing the expense of production?

Q. Yes? Do you count your lath out when you say your cost of maintenance is \$6 or have you taken the lath from the cost in order to produce that figure?—A. No. We generally consider lath as a by-product and it needs the profit we make out of wood to even things us. There is generally some loss around the mill.

Q. You would not add anything to your net price for lath?—A. There is of course the cost of manufacture of the lath and other charges that would have to be covered.

Q. What do you get for lath there?—A. From \$2 to \$2.50 according to where we sell it. Sometimes we sell it wholesale to local dealers. Sometimes we sell it direct to retail dealers. Other times we ship it and then it is a question as to how much lumber we dry out of it in order to settle what we get for the lath.

Q. You spoke of the export trade. Where do the Vancouver mills, the coast mills, principally ship to?—A. Some of them—the larger mills—ship all over the world; practically to every market where lumber is used and where vessels can reach.

Q. Do they send to England?—A. To England and the continent, South Africa, Australia, China, Japan and South America.

Q. Will you look at these estimated weights (exhibiting statement), and tell us what you think of them?

Mr. SLOAN.—I might advise Mr. Heaps those weights are not for lumber kiln dried.

The CHAIRMAN.—Mr. Heaps will understand what green lumber is, I suppose?—A. (Reads): Common boards and dimension, 3,000. I suppose that would be the green weight; that would be about right.

Q. That is what I wanted to get at?—A. These are the weights of Mountain lumber; I am not familiar with them at all.

Q. You cut similar lumber, do you not?—A. There is a considerable difference between the weight of Mountain lumber and our own, but I should imagine from what I know of the trade that these weights are about right.

Q. That is for green lumber?—A. Well, matched lumber. I see that weight is stated to be 2,200 pounds.

Q. Take common boards?—A. Common boards, 3,000 pounds.

By Mr. Fowler:

Q. What would they be dried?—A. They would weigh a good deal less than this, I should think.

Q. 500 pounds less?—A. I should think more than that if they had been stacked up for any length of time.

Q. Even without being kiln dried?—A. Without being kiln dried, yes.

By the Chairman:

Q. My impression is that they usually calculate 2,500 pounds on ordinary boards?—A. About that if they are reasonably dry. Of course, in the Mountains they have not quite as damp a climate as we have at the coast; we cannot kiln dry our common lumber. It has always been a matter of discussion between the Mountain mills and ourselves as to which was the best lumber. We claim that they have better common lumber in the Mountains than we have on account of our timber being large and the knots being large. The knots are large and loose, and if we attempt to put them through the dry kiln the knots will fall out.

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Q. So you do not attempt to dry that kind of lumber?—A. We don't put any common lumber through the dry kiln. With regard to the cost of lumbering, if you will allow me to return to that—

Mr. FOWLER.—Yes?—A. The price three or four years ago when lumber was selling at a comparatively low figure, was a great deal lower than it is now. We were in the habit of making contracts with contracting loggers at prices running all the way from \$4.50 to \$5 a thousand.

By Mr. Sloan:

Q. That is landed at the mill?—A. No, in the water. Now, since that time it has been difficult, more difficult, to secure timber that was near enough to the water for the ordinary logger to operate. Too expensive outfits have had to be put in, as we have had to go in for steam logging almost entirely. That has made an expensive plant necessary, and the logging has been undertaken by men who had plenty of money, which has, of course, increased the cost of operation, which is involved in the employing of a different class of lumbermen, a more expensive class of skilled labour, and the cost of our wages has gone up from \$2 and \$2.30 to probably \$3.50 or \$4 a day. Some of the higher class of men in the woods get as high as \$7 per day.

Q. What do you pay for men working on the donkey engines?—A. The ordinary donkey engineer gets \$70 a month now, with board; head foremen get from \$6 to \$7 per day according to their ability. That has increased the cost of logging enormously, and logs that could be taken out for from \$4.50 to \$5 per thousand cost nearly twice as much. This applies on the price of the logs, the fact of its being difficult to log, requiring an expensive outfit, has cut a lot of small men out of the business, and that also has helped to enhance the price of the logs, and when mills were paying even \$14 for logs it was necessary to get higher prices for lumber. I think that explains the logging situation. Then again there are so many operations conducted by millmen on the coast that they seem to be hit at every turn. The question of towing comes in. At one time a comparatively cheap and inexpensive boat could do the towing, but now we have to go quite a distance with such large booms that the boats run into from \$50,000 to \$70,000, and that, of course, increases the cost of the towing, which comes out of the price of the lumber; it is added to the price of the lumber eventually; it must be.

Q. How many miles do you have to tow?—A. We have brought logs down from Drury Inlet which I think is nearly 300 miles.

Q. What is the cost of towing per thousand?—A. \$1.75.

Q. What would be the cost of towing from the nearest point?—A. The nearest point to Vancouver at the present time I think where logs are being taken out would be Howe Sound and that would be about 25 to 30 cents.

Q. The cost of towing runs from 25 cents to 30 cents up to \$1.75?—A. Yes, and probably \$2, because in one case I think \$3 was paid for a boom which was brought from the extreme north. In addition to that as you have farther to tow there is more risk of loss in towing, and it is worth 25 cents per thousand feet in running the risk.

Q. Do you insure?—A. You can insure, we have never insured, ourselves, but you can do it for 25 cents.

By Mr. Fowler:

Q. What would be the average cost of towing now?—A. \$1.25.

By Mr. Sloan:

Q. Most of the logging is done at considerable distances from Vancouver now, is it not?—A. Most of it is.

Q. There is very little of it done within a radius of 75 to 100 miles?—A. Most of it is done beyond that.

By Mr. Herron:

Q. Have you still quite a percentage of your cut at very high prices, say 50 per cent, would that percentage of select bring high prices?—A. There has been a considerable change there, at one time we used to get as high as 30 per cent of upper grade, but the grade of logs that we are getting at our mills now is very much poorer than it used to be. I think 20 per cent now would be a fair average for clear lumber. That of course reduces our average price.

Q. On the balance?—A. On the balance.

Q. What do you get on that, what would be the net price you get for the clear cut of which there is 20 per cent?—A. It depends a good deal. We are selling just now a grade of absolutely clear lumber for stave pipe manufacturer at \$25 per thousand on the car. That is absolutely clear lumber. Of course we are doing that because our dry kilns were burnt and we have no means of drying it, otherwise we would have got a little better price.

By Mr. Fowler:

Q. What would be the price clear lumber would bring in Vancouver?—A. \$32 per thousand on the highest grade.

By Mr. Herron:

Q. Do you think now that about 20 per cent of the entire cut would run high grade?—A. That of course would not be high grade. When I speak of 20 per cent I mean No. 1, 2 and 3.

By Mr. Fowler:

Q. Clear lumber?—A. The percentage of No. 1 edged green fir would be probably from 7½ to 10 per cent, that would depend entirely upon the grade of logs you were using.

Q. You are talking entirely of fir now?—A. Yes. There might be a difference of from 30 to 50 per cent between one boom and another as to the quantity of clear you would get out of it.

Q. What about cedar?—A. It is getting increasingly difficult to get good cedar. It is the same with cedar as with fir, we have to tow greater distances than formerly.

By Br. Sloan:

Q. As a matter of fact they are getting more particular now in clearing off the limits and they are taking timber they would not look at a few years ago.—A. Yes. I would like to point out another thing. I understand the inquiry is directed particularly as to the cause of the increase in the price of lumber. Of course, as I have already pointed out, one great cause that has increased the cost of manufacture is the increased price of labour in British Columbia. The Northwest Territories have been advertised at the expense of the rest of the country, increased population has gone in there creating a further demand for lumber, and the proper attention has not been paid to advertising other parts of the country, such as British Columbia. Now, if we had a fair proportion of that immigration our labour situation would have kept pace with the situation in the prairies, our cost of production would have been a good deal less, and we could have turned out more lumber, that is really one reason why we have to pay more for lumber than a few years ago. There is another reason, that if the government had acceded to our request and placed a duty on lumber it would have improved the situation very much.

By the Chairman:

Q. There does not appear to be much demand for a duty now, the situation must have improved in that respect, we do not hear of it now?—A. We have had to adjust ourselves to conditions, Mr. Greenway, we had to do without it, we got reconciled to

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it, or at least it has had the effect of enhancing the cost of lumber to the farmer, there is no doubt at all about that. We pointed out at the time that such would be the case and it has been proved that we were right.

By Mr. Fowler:

Q. How is that?—A. We pointed that out at the time. We said it would do so and it has done so.

Q. How do you prove that?—A. No manufacturer would agree to increase his output. For instance our business grew gradually and we were in the soup, as I might say. We could not get out of the business—there was no one very anxious to buy us out—and we kept on doing the trade that was offered to us and we stayed in it. But if we had been sure that our industry was going to be protected from the cheap lumber that has come into Canada and will come into Canada, we would have doubled the output, as other mills would have done, and there would have been competition right at home, which would have given the farmer the benefit of a supply of lumber at a reasonable rate.

Q. More lumber would have been cut?—A. More lumber would have been cut.

Q. Because the lumbermen would have felt confidence?—A. We have no security at the present time for our industry. It is possible at any time that if the conditions on the other side should become bad they would simply flood our country with their cheap lumber.

By the Chairman:

Q. Do you get much of that lumber in your country?—A. Not locally. We are not troubled with it locally, although there is nothing to prevent it from coming in. There was a very large quantity of lumber brought into Manitoba some years ago—I believe 150,000,000 in one year.

By Mr. Fowler:

Q. And your point is that this lumber is not coming in now simply because of the fact that the demand at home is so great?—A. Yes.

Q. They get a better price at home than up here?—A. That is what I mean.

By Mr. Schaffner:

Q. What about the demand and supply in Canada? Take your own mills, has not the demand been greater than you have been able to supply?—A. At times it has, during the heavy season, but we have often had an accumulation of stock.

By Mr. Sloan:

Q. As a matter of fact it was during 1904 that you suffered most from American competition, was it not?—A. Yes.

Q. A great many of your mills were only running part of the time?—A. Yes.

By Mr. Fowler:

Q. You are in the shingle business as well, are you not?—A. Yes, sir.

Q. What does it cost to produce shingles?—A. The cost varies so much.

Q. Take it at your Vancouver mill?—A. In the Vancouver mill they are paying 5½ a cord for bolts.

Q. A cord of bolts will make how much shingles?—A. About 5,000 shingles.

Q. What is the cost of producing a thousand shingles?—A. It varies in different mills, but about 50 cents.

Q. That would be \$1.55?—A. Yes.

Q. What do you get for them?—A. The usual price we have been getting for them is about \$2.

Q. About \$2 a thousand?—A. Yes.

Q. That is No 1?—A. No 1 yes.

By Mr. Herron:

Q. Are you not getting more than \$2 a thousand for shingles?—A. Not when you take off the cost of selling. We figure the cost of selling them is about 15 cents a thousand.

By the Chairman:

Q. Can you give us the freight rate on shingles? You ship a lot to Ontario, do you not?—A. Yes.

Q. Can you give us the freight rate to Ontario as compared with the Manitoba rate?—A. The rate to Winnipeg is 50 cents, and the rate to Toronto is 72 cents, I think it is.

By Mr. Sloan:

Q. That is the rate from Vancouver to Toronto?—A. Yes.

Q. What is the rate from Vancouver to Winnipeg?—A. 50 cents.

By Mr. Schaffner:

Q. I would like the witness' statement explained a little more fully. He made the straight statement that with a duty of \$2 the farmer would have been able to get his lumber cheaper?—A. Yes, sir. Of course that is a matter of opinion.

Q. That is your opinion?—A. Yes.

Q. Explain pretty fully to the committee then it will be in evidence and go out to the farmer? How do you explain that, because the farmers don't believe it.—A. Well, I explained that in this way: we have at present no security that we won't have to meet very serious competition from the south at any time. They are talking now about a crisis coming on in the States. It may come on there and we may not have any crisis in Canada; the prospects look very good in our own country. Still it would be foolish of us to go and increase our output, build up larger plants to take care of our own market when we have the fear at all of times that our market will be invaded by the Americans; it is not a good business policy.

By the Chairman:

Q. Is not the chance of that lessening every year?—A. No, they have a large quantity of timber in Washington State, very large. They have more of it and better timber than we have in British Columbia.

By Mr. Sloan:

Q. How do you account for the fact that although you have increased the price of lumber on several occasions you are not getting any competition from the American side at the present time?—A. We have always kept pace with their advancement on the other side.

Q. Lumber is higher on the American side than it is on the Canadian side—that is your explanation?—A. This year, yes. With regard to shingles we are shipping large quantities to the American side every year.

By the Chairman:

Q. Take your prairie business, can you give us an idea of the proportion of lumber that you ship?—A. The proportion of the whole cut of the mills?

Q. Your car trade—what you call the prairie trade, is it not?—I want to know the kinds of lumber and what the proportions are?—A. Our shipments to the prairies have generally amounted to about one-third of our product?

Q. Yes, and my question is what would be the proportion of the different kinds of lumber in that prairie business of yours?—A. That would, as I explained before, vary every month, according to the orders that we receive and according to the grade of logs we were getting at the mill. Of course it would be very difficult indeed to give you any proportion.

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Q. If you were shipping 10 cars of lumber you would have an idea of what proportion of common lumber there was, for instance?—A. It varies so much month by month that I could hardly give you any idea of that.

By Mr. Sloan:

Q. But still you have figured out the average price as \$16.50?—A. \$16.50. I might say that the average for this year would be a good deal higher than that probably; we were shipping a fair proportion of 'uppers.' I would not be at all surprised the experience of some of the mills would be even \$22.

Q. That is for 1907?—A. That is for 1907, but that would be owing to the larger proportion of upper grades they were shipping.

Mr. McIntyre (Strathcona):

Q. I cannot see yet your argument regarding the imposition of a duty on rough lumber. The only effect that would have to the farmer, that I can see, would be that the Canadian manufacturer need not produce his price at any time of a general reduction on the American side?—A. I think that it is always better policy for any country to depend upon its own citizens for the supplying of anything that is used in the country.

Q. That may be very true, but I ask you the question if you do not think the effect would be that in the case of prices depreciating on the American side it would not be higher on this side?—A. My reply to that would be to point to the actual experience that we had. The large buyer and the dealer really derived all the advantage that was gained by that cheap lumber coming into the country.

By Mr. Sloan:

Q. The consumer did not get the benefit?—A. The farmer got no benefit from that at all, because the most of that lumber was consumed between Winnipeg and Brandon in the large towns there; very little of it found its way into the country districts to the settler who was in need of cheap lumber.

Q. Then why do you fear competition?—A. Because at times we have felt in need of an outlet for our output. At that time we felt the need of the Winnipeg market very much.

By Mr. Sloan:

Q. The foreign trade was slack, too?—A. The foreign trade was slack; it was a very serious matter to us at the time, so serious that I believe we came down to Ottawa on two different occasions to try to get the government to do what we thought was ordinary justice.

By the Chairman:

Q. That was the reason I thought the condition of things must have changed, or we would have had a visit from you before.

By Mr. Herron:

Q. Do you belong to the mill association at the coast?—A. Yes, sir, I do.

Q. You have an association of all the mill-owners there, have you?—A. We have, yes.

Q. Have you an employed secretary there?—A. We have, sir.

Q. Are there any other members, manufacturers, of that association here that you know of?—A. Yes, Mr. Lewis is here, who is a member of that association.

Q. Have your members any yards in the prairie country, have they; I do not know anything of them?—A. No, sir; we have no interest in any yards there.

Q. And none of your association have?—A. I think it is quite possible that some members may have, I think there is very little question, in fact I would almost say there are none, but I am not quite sure of that.

By Mr. Sloan:

Q. Turning to the logging operations for a moment, do you employ any railroad in your logging operations?—A. Yes, we are building a railway at the present time, in fact we have two railways.

Q. Do you find it is a cheaper way, or is it necessary to have a railway?—A. It is the only way of working some claims.

Q. That is where the logs are a considerable distance from the water?—A. Yes.

Q. How far do you have to haul them to the water?—A. On one claim we have to bring them between four and five miles down a very steep mountain side.

Q. As a matter of fact some millmen are operating railroads, they have to haul them such long distances that they are doing that?—A. We are putting in another one this year where we expect to haul them eight miles and then drive them a distance of about twelve miles in addition that that.

Q. Have you any idea what these logs will cost you laid down in Vancouver?—A. I fancy they will cost us about \$9.

Q. The price of logs ranges from \$9 to \$14, do you know of any places where these prices have been paid?—A. We have had to bring these logs ourselves 131 miles.

By Mr. Fowler:

Q. What do you call your association?—A. The British Columbia Lumber and Shingle Manufacturers' Association.

Q. Are you a member of it?—A. Yes.

Q. You have a constitution and by-laws?—A. Yes.

Q. Are they written?—A. No, they are printed.

Q. Is each member supplied with a copy?—A. I do not think we have a copy of them, the rules were printed many years ago and we have had very many new members so that they really have become obsolete.

Q. You have not revised your rules?—A. Not yet.

Q. Are there any pains and penalties in connection with the association?—A. Well, we never heard of any. It has been suggested from time to time that we should put up marked cheques, and in the early days, ten or fifteen years ago, we did that, and there was a \$1,000 marked cheque put up at one time but it never had the desired effect. In fact I think that on that very occasion when the cheques were put up one of our members was accused of going to the telephone and breaking the rule five minutes after it was passed.

Q. What did you do, draw down the cheques then?—A. I think the cheques were returned, it was never enforced.

Q. You do not have any such penalty now?—A. No, sir.

Q. Do you meet together to arrange prices?—A. We have a meeting usually every Thursday afternoon at 3 o'clock.

Q. That is the directors?—A. No, full meeting of the association.

By the Chairman:

Q. That is a local association, of course?—A. It is the coast association.

By Mr. Fowler:

Q. Just applies to the Vancouver mills?—A. No, it applies to the coast mills, Vancouver Island as well.

Q. Where is your place of meeting?—A. Vancouver.

Q. I do not suppose all the members of the association have to meet there on Thursday afternoon?—A. When they are interested they come.

Q. Who is the secretary of your association?—A. R. H. Alexander is our secretary.

Q. Where does he reside?—A. Vancouver.

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By Mr. Herron:

Q. Is Mr. Alexander here?—A. He is sick. He is troubled with a rather serious affection of the eyes. He has been in a dark room for a considerable time.

By Mr. Fowler:

Q. Do you take any oath not to vary prices?—A. I have not taken any oath, but in the lumber trade some years ago it was found necessary to bind our salesmen to do what was right by swearing them in.

Q. Do you know the Ladysmith Lumber Co.?—A. I do.

Q. Does that belong to the coast association?—A. Yes.

Q. You might just listen to this:—

THE LADYSMITH LUMBER COMPANY, LIMITED.

MANUFACTURERS OF ALL KINDS OF ROUGH AND DRESSED CEDAR AND FIR LUMBER,

E. E. TAYLOR, Esq.,
Calgary, Alta.

LADYSMITH, B.C., July 11, 1905.

DEAR SIR,—Your favour of the 8th inst. *re* McNeil order received and noted. We regret to say that we cannot comply with your request to extend time of payment as we (also all the mills) have given an affidavit not to vary prices or terms of payment. We regret also that he saw fit to cheque his order, as it has left his first order on our hands, we having the bill ready for shipment; and as it is of such dimensions that is but rarely called for, will oblige us to again put it through the mill. This entails both a loss in lumber and labour. If there is any possibility of your replacing this order we will be glad to have you do so.

Find inclosed cheque for \$40 for payment of commission as per statement also inclosed. Trusting you and family are well.

Yours very truly,

THE LADYSMITH LUMBER CO., LIMITED,

JOHN W. COBURN, *Managing Director.*

A. It is possible that that might have been—perhaps I am wrong there, it may have been applied to the extension of credit.

Q. You see that would not be obsolete, that would be July 11, 1905, quite recently?—A. Yes, that would be obsolete.

Q. Since when was that obsolete?—I do not think any attention whatever has been paid to any of our laws or rules during the past three years.

Q. Do you think the man was giving a bluff when he wrote that letter?—A. I think letters of that kind are written for a purpose.

By Mr. Herron:

Q. If they are written and have their effect it seems to me they are genuine.—A. If I understand it there is a request to vary the terms. I think probably Mr. Coburn did write that letter and that he wrote that way in order to give a reason for his refusal.

Q. Your secretary issues a price list, does he not?—A. No, we have not the same system in our association that they seem to have in the Mountains, our secretary has nothing to do with the issuing of price lists, they are issued by the various manufacturers.

Q. But prices are fixed at your meetings?—A. Yes.

By Mr. Sloan:

Q. Do you know if these prices are maintained in their entirety?—A. No, we have frequent cases of complaint from our members. Some of them are in the habit

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of selling below the list. This usually depends upon the state of their stock and sometimes the state of their finances. We have no penalty for selling above the list price at all.

By Mr. Herron:

Q. You have no penalty for a man who sells under the list price?—A. No.

Q. You make no attempt to penalize them in any way?—A. We make no attempt to penalize.

Q. What is the use of fixing prices if there is not machinery to compel their observance except just a man's word of honor?—A. We meet together the same as doctors do for mutual benefit, for the purpose of disseminating information and exchanging opinions as well, and if one manufacturer finds that the cost on certain lines he is making, is excessive he would probably make a request to the association that the cost of that particular line should be increased so that he could not fail to produce it at that price. His request would be looked into, and if found to be reasonable the price would be changed to suit him.

Q. The price must be changed with the consent of all the other members?—A. The other members.

By Mr. Fowler:

Q. Would you sell direct to the consumer?—A. We would not sell to the farmer, we would not think it was good policy.

Q. Supposing he was a contractor?—A. We do sell to contractors regularly, but not on the prairies.

Q. Not on the prairies?—A. No.

By the Chairman:

Q. It is confined to the coast?—A. Confined to the coast.

By Mr. Fowler:

Q. Supposing a prairie contractor applies to you for lumber would you sell it to him?—A. That has been a very vexed question. We have had contractors who have been doing business with us for many years, operating at British Columbia points and throughout the mountains and they have gone over the border-line into Alberta and thought we ought to supply them there, but we have generally suggested that they should do their business through some local dealer. We have not thought it was good policy to interfere with the business of the local dealer.

Q. Has there been any communication between you and the association of the Retail Dealers of Alberta with respect to that matter?—A. To my knowledge we have had no communication at all from the Alberta association.

Q. Do you know anything of a resolution threatening a boycott in case the mills sold to the consumers?—A. Such a resolution might have been passed by the Western Retail association in past years.

Q. Not by the Alberta association—A. No, we have had no knowledge of that at all. We have treated that as a matter of business policy. We have thought that if we expected to do business with the dealer it was very unfair to sell to his customers.

By Mr. Herron:

Q. Have you any arrangement with the Mountain Milling Association that you will not break faith with, or enter into competition with them on the prairie or break the rules of their association? I suppose you are aware that they have an association?—A. Yes.

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Q. Well then does any arrangement exist between your association and the Mountain Mills?—A. We have no arrangement at all with the Mountain Association that I know of. Our prices at the present time are higher than their prices so that we could not complain.

Witness discharged.

The committee adjourned.

WEDNESDAY, March 20, 1907.

The committee met at eleven o'clock.

G. P. WELLS further examined :—

By Mr. Knowles:

Q. I have here a minute book, Exhibit 45, are you able to affirm its correctness?—

A. Not of anything except what I have in charge in the office.

Q. What date would that be?—A. I went in there in October, 1905.

Q. I understand you to say that prior to October, 1905, you cannot make an affidavit, but regarding anything since you are ready to affirm the correctness?—A. Yes. So far as that is concerned my belief is that the formal minutes in that book are correct ones.

Q. There are a few pages I am going to refer to. One page I am going to refer to is 185?—A. In the first place I do not know anything about these minutes at all.

Q. That is part of the minutes and you say you believe they are correct. Do you say that you believe they are correct?—A. Yes.

Q. I suppose you are familiar with them?—A. I never read them; I never had occasion to look back.

Q. So far as you are concerned there might not have been any minutes. On page 185 I find this:

'It was resolved that a committee to amount to three members meet the Coast Association every alternate month. The Coast Association to send a similar delegation on alternate months to meet this association, our executive to carry out the plan. Carried.'

In regard to that entry you cannot state anything from your knowledge?—A. I never heard of the proposition until this moment.

Q. This was written on March 25, 1905?—A. I don't know anything about it.

Q. When did you come in?—A. October, 1905. I was appointed secretary at the meeting held in Revelstoke in September 28, 1905. I went and took charge in October.

Q. What were you doing before that?—A. I was in the lumber firm.

Q. Were you a member of the association or was your firm?—A. The firm was.

Q. Had you attended any of the meetings?—A. I did some.

Q. Were you at the meeting on March 27, the minutes of which I read an extract from?—A. I do not think so.

Q. It was held at the office of the secretary in Cranbrook? This is the first you have heard of any plan with regard to a meeting of the Mountain and Coast Associations?—A. Absolutely the first I know of.

Q. Who wrote that?—A. The former secretary, Mr. Gurd.

Q. Where is he now?—A. I presume he is in Cranbrook.

Q. Do you know him personally?—A. Yes.

Q. Now turn to pages 190 and 191. I see under the heading 'coast delegation'—it was resolved on motion that Mr. Manning or Mr. Billings be authorized to go to Vancouver at the expense of the association to interview the Coast Association with Mr. Jones next week?—A. I do not know anything about it.

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Q. Who could you recommend us to go to of the witnesses in Ottawa, to get information with regard to that?—A. I do not know that there is anybody here who was an active member and knew the particulars of these things at that time. Let me explain that at the meeting on the 28th September, at Revelstoke, that the association was considering reorganization. Now, we are not members of the old association at all; it is practically a different organization entirely.

Q. Different name?—A. The name is the same, but the work is different.

Q. Who appointed you, the old or the new?—A. It was a meeting of the lumbermen in Revelstoke. I am sure that some of them who attended that meeting were not members of this old association.

Q. Who did appoint you?—A. That meeting.

Q. What did the meeting call itself?—A. I do not know whether it was a meeting of lumbermen or of this association. I think it was a general meeting of lumbermen. I did not attend it.

Q. But you expected an appointment made in that irregular way?—A. Yes.

Q. Did not you take the trouble to ask whether it was a meeting of the organization, or a meeting of individual men?—A. I expected the appointment as secretary of the association.

Q. But you don't know whether you were appointed by the association?—I did not know whether it was by the association or not. I received a telegram from Revelstoke asking me if I were at liberty, asking me if I would consider accepting the secretaryship of the association.

Q. From whom?—A. From the lumbermen.

Q. By whom was the telegram sent?—A. I cannot tell the individual's name.

Q. On page 178 is a list of the members who were present at this meeting in March. Look over the list and tell me are there any of them here now?—A. No, sir.

Q. Would you tell us a little more about the old and new organizations?—A. It simply amounts to this that when I took the secretaryship I took it to conduct in such a way as I deemed best for the interest of the lumbermen and the work it was understood would be left largely to my own judgment. I just wanted to run it on broad business lines and do what I could for the interest of the trade. The details were left largely to myself.

Q. But it was the same association?—A. It was in a way. There is this difference that a great many came into the association at that time and afterwards who did not know the work of the previous association.

Q. But that was a radical difference, was it not?—A. I consider there was a great difference in the organization from what previously existed.

Q. That is your belief, but you know of no reason for that beyond what you have told us?—A. No, I know it is an entirely different organization so far as the work is concerned.

Q. The by-laws were not changed at that time?—A. The by-laws were never referred to.

Q. Did you get a new minute book?—A. No.

Q. Did you elect a new president on that occasion?—A. Not that I know of.

Q. Or new directors?—A. Not that I know of.

Q. They elected a new secretary in the person of yourself, that was all; that was all the business so far as you know?—A. So far as I know.

Q. I see on page 189 that membership fee of \$40 was charged. Do you know anything about that?—A. It has never been charged since I was secretary.

Q. Do you know of any such resolution being prepared?—A. I do not remember of any such resolution.

Q. You never heard of that either?—A. I do not remember.

Q. I should have thought that the membership fee would be important?—A. That goes to show that it is a different thing entirely from what it was.

Q. On page 189 I find this:

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'It was resolved that a membership fee of \$40 be paid by all members for the present year and afterwards by new members only.

A. I don't think it was ever carried.

Q. What I want you to understand is that I am asking you if that is the first you heard of it?—A. I don't know whether it is or not.

Q. You may have heard of it or you may not?—A. Yes.

Q. You would swear that you have never looked over the minutes or the correspondence?—A. Yes, sir.

Q. Because the page I am going to refer to is page 193 in this Exhibit 45. It says: 'The letter of the Secretary of the Coast Association stating that they had appointed an accountant to audit and check the books of their members with a view to prevent price cutting was read and ordered to be filed.' Do you know anything about that?—A. No, sir.

Q. You don't know anything about the means used in getting information?—A. No, sir.

Q. You have never had any communication with the Coast Company to your own company?—A. No.

Q. Never had any?—A. We have had more or less correspondence with the Coast Association.

Q. Do you mean there was no correspondence in connection with this matter?—A. Yes.

Q. Do you mean that you have not found any amongst your correspondence, because on page 195, the secretary was instructed 'to write to the secretary of the Coast Association to ascertain the nature of the agreement which has been made between that association and the Menz Lumber Company as to the maintenance of prices and what security there is that the sales to retailers will be according to list. You know nothing of that?—A. No, sir.

Q. There is nothing in the correspondence?—A. I don't know.

Q. It is the first you have heard of that, too?—A. The first I heard of that.

Q. I find on page 197, that is the meeting on the 5th June, 1905, we are coming closer to your day, by the way you say that you were personally a member of the association before acting as secretary?—A. The firm was.

Q. That entitled you to a seat?—A. Yes.

Q. Or your father?—A. Yes.

Q. How many members of the firm had this privilege?—A. I presume anybody who represented the firm.

Q. On this day there were present as delegates from the British Columbia Lumber and Shingle Association, Messrs. P. D. Roe and McNair? Do you know anything about that?—A. Nothing.

Q. Is there anyone here who can tell us anything about it?—A. No.

Q. You are left in the dark so far as being secretary of the association goes?—A. Yes.

Q. The Coast Association corresponds with your association as to the prevention of cutting the prices in setting out the declaration required from the manager and the auditor appointed, 'This plan was fully considered and it was deemed workable with respect to this association'; as to that do you know anything?—A. No, sir.

Q. Coming in as you do three or four months afterwards, and having been one and a half years secretary of the association, you know nothing about it?—A. I know nothing about that.

Q. Don't you think these are things about which a secretary would be likely to inform himself?—A. I had other things to do.

Q. As secretary the matters of the correspondence with smaller organizations, the matter of cutting prices, these are things which you don't think men in your position should understand and be familiar with?—A. The matter of keeping up prices, you mean?

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Q. Are not these proposals keeping up prices?—A. I know nothing about it.

Q. Was any work in any way accomplished in the past?—A. No, sir.

Q. It was simply dropped?—A. Yes.

Q. On page 203 I see, 'On the motion of Mr. Leitch, seconded by Mr. Dewar a resolution thanking the Coast Association for sending Messrs. Roe and McNair as delegates, was unanimously passed and the president extended the thanks of the association to the delegates for their attendance and the very valuable assistance that they had given to the members in their deliberation.' Has that come to nothing?—A. I know nothing about it.

Q. You know nothing about the selling company?—A. I do know this, that there was an attempt made to organize a selling company. That is about all I remember about it. There was an attempt to organize a selling company.

Q. That is all past history before you came in?—A. Yes.

Q. You know nothing at all what took place before you took up office?—A. I don't say so.

Q. There is a great deal on the minutes here, but I will not take up your time. At any rate you have no knowledge about the selling company?—A. Very little. I know very little about it, except that there was an attempt made to organize a general selling company.

Q. You do not know that as secretary, you know it simply as a lumberman before you took office?—A. That is so.

Q. Will you tell the committee if nothing transpired after you took office in that line?—A. I do not remember that there was any occasion on which it was discussed.

Q. Did you ever hear of the Interior Lumber Company?—A. That was very much on the same lines; the outcome of the selling company.

Q. On page 199 I see there was a resolution moved by Mr. J. A. Dewar.—

'It was resolved that the members immediately proceed to organize and incorporate a selling company, the members to be members of this association only, and that the secretary be instructed to proceed with the formation of such company, the association to advance the cost of incorporation.'

Then further on it was resolved:—

'That those present organize a company to be known as the Interior Lumber Company Limited, to be incorporated in the Northwest Territories with a capital stock of \$250,000 of \$10 shares to buy and sell lumber with the object of handling the whole product of the Mountain market.'

That was a pretty large order to handle the whole product of the Mountain market?—A. I cannot help that.

Q. I say it is a pretty large order?—A. It may be.

Q. They went so far as to get incorporation. They spread it on their minutes and still you know nothing about it?—A. I know it was begun and that the Interior Company really obtained a charter.

Q. How do you know that? Was that before you took office?—A. They obtained a charter before I took office.

Q. So that you did not know that as secretary?—A. No.

Q. In your connection as a prominent lumberman can you explain why it did not afterwards live; why it did not continue to do business or even start to do business?—A. I believe that the reason was that there was not sufficient of them would take an interest in it, and it was deemed impracticable.

Q. There were no differences among the members that you know of?—A. Not that I know of.

Q. Do you know that some of them said they could not trust the rest?—A. No.

Q. You swear that?—A. Yes.

Q. Do you know that that was a reason why it was abandoned?—A. No, I did not know what the reason was.

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Q. Do you know who composed the company?—A. No, except it was a certain number of the millmen.

Q. Did your company go into it at all?—A. I do not think we did. I do not think we were members.

By Mr. Herron:

Q. You surely know whether they did or not?—A. I cannot tell whether we did or not.

By Mr. Knowles:

Q. Do you mean the committee to believe that you do not know whether you took part in such a radical and mammoth enterprise as that?—A. I think we did take part.

Q. Are you sure?—A. Sure.

Q. What recalled it to you?—A. What you said just now. I do not know whether we subscribed to the charter or not, but now when you ask whether we took part in it, I remember that we did; we took part in the transaction relative to it.

Q. I see here in the minute book on page 205:—

‘The president referred to the fact that prices have not recently been maintained and that there were no outside influences affecting the situation to cause such a condition. He then outlined a scheme whereby this company would handle the products of the mills and thus relieve the situation.’

Do you know what he meant by outside influences?—A. Outside competition, I presume.

A. Yes, and eastern and the coast; all the lumber that comes into the country other than from our own district.

Q. What do you think he meant by saying that no outside influences of this large incorporation would relieve that situation?—A. I do not know what that means.

Q. You did not understand what the policy was?—A. No.

Q. I see here on page 206 a minute of date July 3, 1905, ‘The letter from the Coast Association of June 25, 1905, stating that a reduction would be made on boards and shiplap if satisfactory arrangements were not made by the 6th by the association to uphold our prices, and requesting a telegraphic answer, was read and ordered to be filed.’ Can you give us any information about that?—A. No, sir.

Q. Does that not mean that the two associations were acting in conjunction or expecting to act in conjunction?—A. In my opinion that would simply be advice that they were going to do so.

By Mr. Herron:

Q. Does not that indicate that they had lost confidence in the Mountain mills?—A. I do not know what it means.

By Mr. Knowles:

Q. You are an experienced lumberman of twenty years standing and you cannot give us any light as to the meaning of that letter?—A. It states as well as I can do what it means.

Q. As an experienced lumberman do you not know its retrospective effect? One would think that a secretary would sit down and read up the past transactions or relationships of his association?—A. I do not know whether he would or not.

Q. Do you not think it implies a previous business relationship between the two associations?—A. No, sir, I do not think it does.

Q. With regard to prices?—A. I do not think it implies any business relationship.

Q. What do you think it does imply?—A. I would not say what it does imply; whether it implies anything or not.

Q. On page 207 to 213 we find minutes regarding this selling company. On page 215 I see there was a letter of the Coast Association stating this: ‘A meeting would

be held on 3rd instant to reduce price to meet the cuts on board and shiplap now being made by the Mountain mills. Letter was discussed, and secretary was instructed to advise him of result of the meeting.' That means, I suppose, that the Coast Association was going to reduce prices to meet your association. Do you know anything about that?—A. I know that the Coast Association did reduce their prices to such an extent that they very nearly put everybody out of business.

Q. Do you know anything about that statement that they would reduce price to meet the cuts on boards and shiplap?—A. I remember a general rumour that the coast people if the cutting of prices were going to continue would take a hand in it.

Q. The coast people would take a hand in it?—A. Yes.

Q. Was that about this time?—A. About that season.

Q. You do not recall anything about the letter?—A. I do not recall it.

Q. You do not remember whether it had the effect of making the Mountain men stiffen their prices or not?—A. I do not know.

Q. Did I understand you to say yesterday that there were no fines in your association?—A. No.

Q. No provision for fines?—A. No.

Q. Are the typewritten minutes yours?—A. Except the first meeting. After that they are mine.

Q. Is your appointment in these?—A. I believe it is.

Q. Did you ever read them?—A. Yes.

Q. And will you say that this association has no provision for fines?—A. Yes. Not that I know of.

Q. I see at the bottom of page 220 of the minutes, 'All members of the association are required to attend the meetings of the association in person or by proxy or pay a fine of ten dollars,' and 'carried' is written after it. Did you ever read that?—A. I presume I did. I remember that.

Q. And you say that there is a provision for a penalty?—A. Well, it has never been put in operation.

Q. Will you answer my question? There is a provision for a penalty?—A. Well, I have read the correspondence.

Q. Certainly, but you don't answer my question. I ask is there provision for a penalty in your organization?—A. I say all I know.

Q. Having read this do you still say it?—A. Well, there might have been.

By Mr. Sloan :

Q. The penalty has never been enforced?—A. No.

By Mr. Knowles :

Q. Who is Mr. Jones of your association?—A. The former president of the association.

Q. Mr. Dewar was a president, was he not?—A. I don't think so. He has been vice-president.

Q. On page 239 of the minutes it says, 'Mr. Jones stated he would call a meeting at Calgary for the purpose of starting a retailers' association for Calgary.' Do you know anything of that. It was moved by somebody and seconded by Mr. King that at the next meeting they should hear Mr. Jones' statement as to the starting of the Retail Association?—A. Yes. It was in connection with the discussion which had previously taken place with regard to manufacturers' yards, and Mr. Jones stated, I believe, that when the Retail Association was organized for Alberta that it would settle these questions in some way, but in what way I don't know.

Q. Is there any arrangement between the two companies with regard to having corresponding advances in prices?—A. What two companies?

Q. Is there an arrangement between the Coast and the Mountain Mills that from time to time they will make corresponding advances?—A. A definite arrangement that they will from time to time make advances?

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Q. Well, any arrangement at all about keeping like prices?—A. No. there is no arrangement of that kind.

Q. Then what does this correspondence mean between the secretary of the British Columbia Mountain Association and the secretary of the other association about making the corresponding advance in several lines 'as done by us.' You mention his name in correspondence and telegrams between the association as to advances of prices. Is not that an arrangement?—A. No.

Q. What would you call it?—A. I would call it an advice that they were going to regulate their prices according to what was done by us.

Q. It doesn't say regulate, but that the prices will be advanced?—A. The advance of prices would altogether depend upon what we did.

Q. Do you remember the correspondence?—A. No, I don't.

Q. You have never had it brought to your notice?—A. No, sir.

Q. And you don't agree with me?—A. No, sir.

Q. What is the reason for making a compromise like that?—A. I don't consider it a compromise. Is it a compromise?

Q. Yes.—A. I don't know any reason for it.

Q. These are men doing a large business and they come to this arrangement with a rival association with regard to what is to be the rule. In fact as to how much money they can get from the manufacturer?—A. I don't know what object there would be except to show that if they were to consider it necessary to advance prices it would depend on what was done by the Mountain people.

Q. What is the idea about making this arrangement. If they are prepared to make advances there must be some consideration for a compromise like that?—A. Well, what do you suggest. I cannot think of anything.

Q. I am asking you if you can think of any reason why a compromise like that should be made without any consideration from the other side?—A. I don't know.

Q. Do you mean us to believe that after this correspondence concluded the compromise with you to advance when you advanced, that after all that correspondence there was no agreement on your part to keep in harmony with them?—A. Well, if they were going to make an advance and if we did, would not that be a corresponding promise on our part?

Q. Was there no agreement on your part to keep in harmony with their prices?—A. Well, I presume it is understood that we should keep in harmony with them.

Q. I presume it was understood that you would keep in harmony with all their prices?—A. Yes.

Q. As a matter of honour?—A. As a matter of honour.

Q. You probably wrote similar letters to this?—A. I may.

Q. Did you?—A. I don't know.

Q. Don't you know if there is in your correspondence anything to intimate that your association is keeping in harmony with their prices?—A. I don't think so.

Q. Is there nothing asking them to come up to your prices?—A. I don't set down the prices.

Q. Do you think that according to these letters you are free to sell as you like?—A. Well, I don't know. We are free to sell as we like. There is merely a matter of honour about it.

Q. But were you in honour bound not to cut prices below what existed with the coast people?—A. Well, I presume that there was an understanding. I don't know whether there was or not.

Q. Well, now, do you consider that your association was in honour bound not to cut on the prices arranged with the Coast people?—A. That would be cutting on our own prices.

Q. I am not asking about your own prices, but about cutting on the figures arranged with them. Would you consider that you were in honour bound to the Coast people to maintain a certain price?—A. I think so.

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Q. You think you were in honour bound to the coast people to maintain a certain price?—A. In a way.

Q. What do you mean by in a way? You were in honour bound to maintain a certain price?—A. In a way. I do not know whether there was a distinct understanding that we should maintain certain prices with the coast people.

Q. You say you were in honour bound to maintain a certain price to them, were you?—A. I do not think we considered we were in honour bound to maintain a certain price to the Coast people except in a way.

Q. What do you mean by in a certain way?—A. I mean this, that if we set a price list of our own, it is understood that we will maintain it as well as we can.

Q. And are you in honour bound to the Coast people? Would they have any kick with you if you did not do the square thing?—A. I presume they would have a kick.

Q. You think they would have a reasonable kick?—A. I do.

Q. You think they would have a reasonable kick if you started cutting prices?—A. It would be a breach of good business principles.

Q. It would be a breach of understanding?—A. No, a breach of good business principles.

Q. You met in joint conference, did you not. Did you not talk about prices?—A. Yes, we did.

Q. Did you come to any understanding?—A. Yes.

Q. Have you come to any understanding about prices with them?—A. Not that I know of.

Q. You talked prices with them, but you never came to an understanding?—A. No.

Q. What did you talk prices with them for?—A. We discussed prices of various items and what we considered should be charged for them.

Q. Were there any people who are here now at this meeting?—A. I believe so.

Q. Who?—A. Mr. Heaps and Mr. Lewis, I think.

Q. But you never came to any understanding about prices in your conference with those people?—A. No.

Q. Nor came to any understanding about anything?—A. It depends upon what you mean by understanding.

Q. What do you mean?—A. We discussed many things pertaining to the lumber business and whatever we considered advisable to do. If you consider that an understanding there was one.

Q. You came to a conclusion as to what was advisable to do and you were agreed on that?—A. We were.

Q. The representatives of both associations agreed to do what was advisable?—Yes.

Q. For example, what did they agree on?—A. I do not know.

Q. Were they in honour bound to do what was advised afterwards?—A. I do not think so.

Q. They were perfectly free, and you think that they would respect one another perfectly if they did not act in harmony?—A. I do not think they would.

Q. Do you think they would have despised one another if they had not acted in harmony in doing that thing they thought advisable?—A. Yes.

Q. Therefore there was at least this about it, that they adopted a certain minute or conclusion regarding their business and they were either bound by that or they would be despised?—A. If you wish to put it that way. I would look down upon and despise a man who did not stand by any minute or any position that was reached for the best interests of the business.

Q. In a joint meeting like that?—A. Yes.

Q. In fact you mean us to understand that business men do not go all the way over the Selkirk mountains and down the Pacific coast unless there is going to be some corresponding money advantage?—A. Probably not.

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Q. I see on page 259 that the minute there refers to a Mr. Leitch. Who is Mr. Leitch?—A. He is one of the manufacturers.

Q. Where does he live?—A. At Cranbrooke.

Q. He is a highly respected member of the association?—A. Yes.

Q. Well, I see he advises: 'A conservative advance, and stated his opinion of what we required was a stable list which would be maintained for an appreciable length of time, put our prices upon a right and reasonable basis, and keep them there through all conditions by regulating the production.' Do you remember him saying that?—A. If it is in the minutes he must have said it.

Q. A very difficult thing to regulate production, a very unusual thing is it not?—A. It would be.

Q. You were present at the meeting?—A. I must have been.

Q. And you no doubt heard it and took it down?—A. Yes, I remember now since you have drawn my attention to it.

Q. How was it received?—A. I do not think it was even discussed.

Q. Treated with silent contempt?—A. No.

Q. Passed over then?—A. That is a different thing.

Q. There has been considerable discussion in your association with regard to having a stable price. Some have advocated having it and having an understanding?—A. Yes.

Q. You came pretty near passing it once or twice I believe?—A. I believe so. A great many felt it would give stability to the retail men and also to the manufacturers to say that will be the price for a certain item.

Q. Are there very many of them who are in favour of such a scheme if it came to be well worked out, being adopted?—A. A stable list?

Q. Yes.—A. There were quite a few evidenced a desire to make a stable list at, I believe, the last meeting called.

Q. Was it discussed fully?—A. Pretty fully.

Q. And it was eventually decided not to do that for the present was it not?—A. Yes.

Q. It was not decided that there was not to be a list?—A. No.

Q. Now, turning to page 261, I see at the bottom, this: 'Mr. Jones welcomed a delegation of retail lumbermen who attended and explained the reasons why the present advance in prices was made, reading letters from several eastern mills showing that conditions in that district were excellent and that a large part of the cuts from Rat Portage, Rainy River, &c., were going to the east and Chicago markets.' A little further on I read: 'The retail men of the business was excellently represented by speeches by Mr. McNicol, Mr. Grosse and Mr. Grogan, who then withdrew.' Do you recollect that?—A. That was in Calgary, was it not? Yes.

Q. Yes.—A. I think that occurred at an evening session when most of the regular business had been done. I think somebody suggested that as there were retailers in the town it might be well to have some of them come in and give us a talk on the retail conditions; how it was doing and so on.

Q. Do you often take a step like that?—A. No.

Q. Do you ask any farmers to come in?—A. I do not know of any.

Q. You didn't call in the farmers and get their opinion about it?—A. No, sir.

Q. Although it was from them money largely comes from?—A. They have our assistance.

Q. But the money comes from them?—A. Yes, sir.

Q. Talking about that, I understand that certain plans have been made to raise the price of lumber in a few days?—A. I don't know.

Q. Would you know if there had been a raise?—A. I would know if there had been a general raise in our district by our association.

Q. Have you read in the newspapers that there is to be a raise?—A. I have read the statement in some.

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Q. Are you prepared to say that it is not true?—A. I am prepared to say it is not true regarding our association.

Q. You are prepared to limit it to members of the association that they have not raised?—A. Yes.

By the Chairman:

Q. It has been stated in the papers that it was believed there would be a raise in the price of lumber in a few days of \$2 a thousand. Now, supposing that were so, how would it be brought about?—A. Well, it would be brought about so far as the Mountain mills are concerned by calling a meeting and taking the opinion of the majority of those present.

Q. It would be brought about by your association?—A. Yes.

By Mr. Knowles:

Q. Did you hear Mr. Green give evidence on Friday as regards what some mills had told him what is going to happen?—A. Yes.

Q. You do not know anything about that?—A. No, sir.

Q. Now, on page 267 I see a resolution moved by Mr. A. T. Watts. Is that the man who has been here so much?—A. Yes.

Q. And seconded by Mr. Otis Staples, 'That this association favours a change in the terms of sale from sixty days to thirty days net, and the secretary is instructed to ascertain the feeling of the coast association and eastern millmen, and obtain their views for presentation at the next meeting.' Is that true?—A. Yes.

Q. What is the idea of getting the feeling of the Coast Association?—A. Well, it was felt by many of the millmen that the terms of sale were too long for a product like lumber.

Q. Why did they go to the Coast people?—A. Well, I am trying to explain. In a matter like this regarding terms, we are a little body and we felt that if anything was to be done for the lumber trade we should have the assistance of the other people.

Q. So you wanted to extend it to the people on the coast?—A. We wanted to find out if they thought it desirable to make shorter terms of sale.

Q. You wanted each association to conform to the same system?—A. Yes, certainly.

Q. I see that Mr. Watts is a very prominent man. On page 269, I see that he is moving or seconding three resolutions?—A. Mr. Watts is always prominent.

Q. I see on page 269 that he moved, and it was carried 'That the secretary is hereby authorized and instructed to inaugurate a sales department of the association at once'?—A. Yes.

Q. Are you proceeding to organize that?—A. I think it has been inaugurated.

Q. On page 281 is a record of a joint meeting of the British Columbia Shingle Manufacturers and the Mountain Lumber Manufacturers' associations on the 28th September, 1906, in the city of Vancouver. The men whose names appear here are they are men who were really present?—A. Yes.

Q. Were there any more present?—A. Well, I endeavour to get everyone down.

Q. Mr. A. E. Leitch, is he a Coast man?—A. No, a Mountain man.

Q. He took the chair, and you were secretary?—A. I acted as secretary.

Q. How long did that meeting last?—A. Oh, two or three hours. A few hours.

Q. Was anything said about prices?—A. Oh, yes, certainly.

Q. Did you come to any conclusion?—A. Yes, sir.

Q. Were they put down on paper?—A. Yes.

Q. Where would that paper be?—A. You mean where were they taken down at that time?

Q. At any time?—A. Well, perhaps you will find it in that book.

Q. Showing the conclusions you came to about prices?—A. Yes. All the matters discussed were taken down.

Q. Were any motions made?—A. I presume so.

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Q. On page 283 I see a motion was made specifically stating that no orders for odd lengths shall be accepted only at an additional charge of \$3 per thousand?—A. Yes.

Q. Was that passed?—A. I think it was.

Q. Was it binding on both associations?—A. Oh, yes.

Q. So by the record of this \$3 a thousand you had an arrangement about prices?—A. Yes.

Q. And each association was bound to stand by it?—A. Yes.

Q. Did you arrive at an agreement to stand by the general price?—A. You asked me that before.

Q. Yes, I know, and I remember what you said at the time. What I ask is if, having arrived at this agreement as a foundation you did not come to an agreement generally?—A. Well, we were bound in the same way.

Q. In regard to all prices were you bound in the same way in regard to the \$3?—A. In the way I understand.

Q. The \$3 mentioned on page 283?—A. Yes.

Q. Both associations?—A. Yes.

By Mr. Herron :

Q. It was a meeting, a joint meeting of the Coast Association and the Mountain?—A. Yes. It was at the same time as the Forestry Convention was held in Vancouver and the lumbermen met and just discussed these things.

By Mr. Knowles :

Q. You sent a memorandum to Sir Thomas Shaughnessy protesting against a large number of empty cars which were detained in the wheat service to the great detriment of the lumber shippers?—A. Yes.

Q. There were present at that meeting Messrs. McKee, Billings, Langley, Lund, Sine, Heaps, DePencier, Leitch, Ludgate, Dulmage, Roe, Hale, King, Small, Moody, Jones, R. W. H. Alexander, Cooke, Adolph, Carlin, Hackett, Lewis, Mahoney, Lindmark, MacNair, Hoppins, Emerson and Wells. Mr. Mahoney, he is of the British Columbia Shingle Mills Company, is he not?—A. I do not know.

Q. On page 285 there is a copy of a telegram sent by Mr. Wells to Sir Thomas Shaughnessy. Then turning back to page 281 there is this : 'Upon motions duly carried, the following changes and advances were made in the Coast Mountain list. Effective at once'—the words 'At once' underlined—'Mountain list, advance common dimension, ship lap and timber \$1.' That means \$1 a thousand, I suppose?—A. Yes.

Q. '(2) Flooring, ceiling and siding \$2. (3) flooring, ceiling and siding \$1; boards and shiplap \$1; No. 2 dimension no advance. Bevelled cedar, 3 x 7 feet only, \$1. The Coast list—Dimension, 18 to 22 feet, advanced \$2. Fir and cedar lath 25 cents. All the other items but fir and cedar (common) list \$1; mouldings in car load lots 50 cents; mouldings less than in car load lots 40 cents.' Were you present when this was adopted?—A. Yes.

By Mr. Herron :

Q. It was a joint meeting of the two associations?—A. Understand that so far as the prices of the two lists are concerned that the Mountain men arranged their prices separately from the Coast men.

By the Chairman :

Q. That is on account of the different rates of freight?—A. Yes.

By Mr. Herron :

Q. Do each of you hold up the corresponding prices agreed upon in the respective associations?—A. That is the understanding.

By Mr. Fowler:

Q. Was there a new price list made up in accordance with this meeting?—A. I do not know whether there was or not. I presume there was an advance later; that generally meant a new price list.

Q. You notified the dealers in accordance with this resolution?—A. Probably.

By Mr. Knowles:

Q. And that advance did take effect at once, so you and the Coast people do work together in regulating prices?—A. We do; to that extent at that time anyway.

By Mr. Herron:

Q. It is in that minute that you meet alternately. Were the Coast and Mountain association meetings on one occasion at the coast and another at Nelson, British Columbia?—A. No, that is not so. This meeting at Vancouver occurred principally because there were so many of our members at the coast on account of the Forestry Association, and we took the opportunity of having a joint meeting.

By Mr. Knowles:

Q. Then we come to the minute on page 293, the minute taken of your meeting held 10 a.m., January 16. What meeting was that, was it a regular meeting?—A. Yes.

Q. What are your regular meetings, monthly or not?—A. No, our regular meetings I call when I think it is advisable or necessary; we have no set dates.

Q. They are all special meetings?—A. Yes.

Q. How did you come to call this one?—A. That is the regular annual meeting.

Q. When does your regular annual meeting take place?—A. Some time in January.

Q. And you are always likely to have such an annual meeting?—A. I presume so.

Q. At that annual meeting did you discuss the motion Mr. Herron had brought up in the House?—A. I do not know that the motion in the House was brought up at that time.

Q. You know whether the motion was brought up or not. I want to know what happened at your meeting?—A. No. Mr. Herron's motion was not discussed.

Q. Was there anything discussed with regard to the complaint of the increase of prices?—A. Not that I remember.

Q. Was there anything discussed about the fact that your association, however honourable the members might be, that the by-laws might be attacked as illegal?—A. Yes.

Q. And liable under the criminal laws of Canada?—A. That was brought up by myself.

By Mr. Herron:

Q. That was in January of this year?—A. Yes.

By Mr. Knowles:

Q. January 16 is the date here. You do not know whether you were aware of Mr. Herron's motion or not?—A. No.

Q. Do you recollect when you first heard of Mr. Herron's motion?—A. It seems to me it was some time after that meeting.

Q. Do you recollect when you first heard of it?—A. No, I do not.

Q. How did you come to give your time to those by-laws?—A. Because it was drawn to my attention by somebody, I don't know who it was, that there was in existence some form of by-laws.

Q. Did they draw your attention to the fact that they were of a nature that would render the members liable to prosecution?—A. As soon as I looked up the old minutes I took counsel on them.

Q. All this person did was to call your attention to the fact that such by-laws existed?—A. Yes, and that they might be detrimental.

Q. Oh, he said that also?—A. Yes.

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Q. Cannot you recall who that was?—A. No, I cannot.

Q. I would like you to recall if you can?—A. I cannot remember.

Q. You are engaged and employed by an organization and you have your attention called to the fact that the by-laws made the members criminally liable, and yet you do not know who called your attention to it?—A. I do not.

By the Chairman:

Q. Would it likely be a member of your association?—A. Very likely.

By Mr. Knowles:

Q. Was it in Nelson city that you were apprised of the fact?—A. I do not know where it was.

Q. It would be startling news to you I should hope?—A. It was surprising news to me.

Q. You do not remember from whom the news came?—A. I do not.

Q. You have forgotten that?—A. Yes.

By Mr. Knowles:

Q. The old by-laws have been put in; they are on the front page of the minute book, I believe. These are the by-laws regarding which we have been speaking. I see on page 9 of this minute book there is written across it something in red ink. Is that your writing?—A. Yes.

Q. The writing is as follows: 'This constitution and by-laws were cancelled and annulled at a meeting of the association held in Nelson, on January 16, 1907, owing to their not being in accord with the active practice and work of the association which has prevailed since its organization.' Were they cancelled because they were not according to what was done?—A. Yes.

Q. So they were not cancelled because they were illegal?—A. They were cancelled, they were not in accordance with the practice of the association.

By the Chairman:

Q. Attention was called to them?—A. Yes. We were told that they were illegal. I don't presume to know, they might have been.

By Mr. Knowles:

Q. I read on page 293 after a communication and advice which was given, from Mr. S. S. Taylor, K.C.—he is a Nelson solicitor—that he considered that the by-laws as printed actually contravened certain provisions of the law. Was there any other reason that the by-laws were annulled?—A. They were not in accordance with the practice of the association.

Q. And you have been secretary since October, 1905?—A. Yes.

Q. Mr. Herron's motion passed in the House on December 12, 1906?—A. Motion for what?

Q. Asking for this investigation. You have been secretary of the association for one and a half years, never took the trouble to read the old minute-book, never read the by-laws although they are the first thing in the book?—A. Exactly, I never read them.

Q. Nor the minutes?—A. No.

Q. But not less than a month after Mr. Herron's motion the matter is brought up, the by-laws are read, the opinion of King's Counsel was received, and they are annulled?—A. Yes.

Q. Had that anything to do with this motion for investigation?—A. I don't know whether that had anything to do with it or not.

Q. It might have had?—A. It might have had, yes. It was brought to our attention, and very likely that had something to do with it.

Q. Your by-laws have been reprinted?—A. Well, no.

Q. What articles were they that Mr. Taylor warned you against?—A. I don't know. He pointed out the different things.

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Q. Have you brought his letter with you ?—A. No.

Q. I suppose you still have it ?—A. Yes.

Q. Is it a very long letter ?—A. Yes, a lengthy document

Q. Five or six pages ?—A. It might have been.

By the Chairman :

Q. What was the date ?—A. That was about December, about the middle of December.

By Mr. Knowles :

Q. Was it not read at this meeting ?—A. Yes.

Q. That was the first time it was placed before the members of your association ?—A. Yes.

Q. Can you tell us what article Mr. Taylor warned you against ?—A. Well, he warned us practically against the whole thing. The whole constitution and by-laws were not good.

By Mr. Herron :

Q. Did he warn you that they were illegal, or not in your own interest ?—A. I think he meant that they were distinctly illegal.

Q. You are not sure of the date of that letter ?—A. Some time in December.

Q. You can go no closer than the middle of December ?—A. I think it was December 16.

By Mr. Knowles :

Q. Did you take Mr. Taylor's advice as to what to bring down here ?—A. Yes.

Q. Did he advise you not to bring that letter ?—A. That letter was not mentioned at all.

Q. He did not advise you to bring it ?—A. No, he didn't say anything about it.

By Mr. Herron :

Q. Were you not asked as secretary to bring all correspondence, books and papers ?—A. No, sir. Nothing was said about correspondence.

By Mr. Knowles :

Q. Documents ?—A. Documents such as price lists and minute books.

By Mr. Fowler :

Q. Where is the subpœna ?—A. I have it here.

By Mr. Knowles :

Q. Where are the by-laws ?—A. I gave them to the committee yesterday.

Q. Mr. Taylor, I suppose advised you on them ?—A. Well, I drew them up and submitted them to him.

Q. I have here a letter dated December, 1905, among the letters you produced, circular No. 22 (producing letter). Is that a copy of the letter you wrote ?—A. Yes.

Q. You say: 'I am in receipt daily of advice in the shape of copies of letters and telegrams from certain large buyers to our members offering them orders for a slight reduction on price lists?'—A. Yes.

Q. What do you mean by buyers ?—A. Retailers who buy largely.

Q. And they want a better price than the smaller man ?—A. Yes.

Q. You say, 'This is distinct evidence that they are feeling the pinch?'—A. Well, feeling the pinch of the stable prices, that have been in existence. Before that each dealer made his own price with the mill.

Q. What do you understand it to mean, is it that the stable prices 'pinch' ?—A. Well, as I said before, that the dealer each made his price and since the re-organization prices have been more stable and they are feeling the pinch, having to pay what is laid down according to the price list.

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Q. Having to pay what your associations determine upon?—A. Yes.

Q. 'It is distinct evidence that they are feeling the pinch, but they die hard?'—

A. They keep endeavouring to obtain lumber on the same old plan they have always been trying to get it.

Q. Well, 'dying hard' is that they would like to live. 'This is distinct evidence that they are feeling the pinch, but they die hard and fully realize that if the manufacturers hold together now that they will be probably able to have something to say in the future about making prices.' You have explained that 'pinch' means stable prices, and 'dying hard' means what?—A. I don't know, it is a general letter sent out. A personal letter more than anything else.

Q. At any rate what do you mean by 'dying hard'?—A. I have just explained that their efforts to obtain lumber at cut prices were dying hard.

Q. But you hold out the hope to the members of the association that if they only hold together now that they will be able to have a voice in fixing the prices?—A. Have something to say about making the price.

Q. This is a circular letter 22:—(Exhibit 46)

'I am in receipt daily of advice in the shape of copies of letters and telegrams from certain large buyers to our members offering them orders for slight reduction on price list. This is distinct evidence that they are feeling the pinch, but they die hard, and fully realize that if the manufacturers hold together now that they will probably be able to have something to say in the future about making prices. There is no doubt that our members are adhering to list strictly. Practically no complaints coming into this office on this score. I cannot urge you too strongly to turn down all inducements to sell below list and make your reply emphatic.'

Did your organization take part in the regulation of the prices of labour out there?—A. No, we have never done very much in that line.

Q. You have considerable correspondence about it?—A. On one occasion they endeavoured to have some understanding as to what should be paid for labour, but such attempts have been always purely abortive.

Q. Your association exists for telling you about what men will pay you for the lumber, the consumers, and for the purpose possibly of telling you how little or how much you should pay the men who work for you?—A. If it is possible to do it.

Q. That is part of your organization?—A. Yes.

Q. To decide by what method these two matters were to be carried out?—A. If possible.

Q. You sent out circulars suggesting as to what would be a maximum sale above which they could not go?—A. Yes.

Q. Do you ever take steps to make a minimum price so that they could not sweat the men?—A. No.

Q. When you make an increase in shingles who decides that increase?—A. There is only one manufacturer in the interior who manufactures any shingles.

Q. Who settles advances on shingles?—A. Some man at the Coast.

Q. He sends word to you that it is settled?—A. He sends advice generally to me that there has been an advance on shingles.

Q. So that you got word from somebody on the Coast, but you say you do not know who it is?—A. I think it is from the British Columbia Shingle Association.

Q. At any rate you have no official knowledge of who it is?—A. Some company down there.

Q. You do not know the reasons for it?—A. No.

Q. Whether just or unjust?—A. I know nothing about it.

Q. And then you advise your members?—A. I tell them whether there is to be a reduction or not.

Q. You tell them what the reduction is to be?—A. I tell them exactly what I have been informed.

Q. I see different lists of members of the retail association. Who prepares these for you?—A. I get them from the secretary of the association probably.

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Q. This is a list of the men who belong to the Western Retail Association? (Exhibit 47)—A. I simply receive notification or advice from the secretary that such and such prices are additional.

Q. Then anybody whose name is on this list can buy lumber from the middleman?—A. Certainly.

Q. If they are not on that list can they buy lumber?—A. Yes.

Q. What is the idea of having that at all?—A. I simply got that from the association.

Q. But your association sells to anybody whose name is on that list?—A. Yes, and anybody who is a regular dealer besides.

Q. They do not confine themselves to that list?—A. No.

Q. Who decides that a man is a regular dealer?

By the Chairman :

Q. From whom did you get that?—A. From the secretary of the association.

Q. Do you remember the name?—A. Whoever was secretary at the time. Mr. Cockburn was secretary for years of that association.

By Mr. Knowles :

Q. Your association also exists for taking up matters of duty?—A. We take up anything in the interest of the lumber trade.

Q. Does your association take up anything in the matter of duty?—A. Yes.

Q. Do you get official advices as to the prices of lumber on the other side of the line?—A. Not all the time. I got most of my advices out of the lumber trade journals. I have very little to do with the correspondence with the other side.

Q. Your association also exists for the purpose of testing law cases. If a man gets mangled up in the mill it is possible he may have the whole organization to fight before he is through?—A. Quite possibly.

Q. If there was to be a test case you would see your man through?—A. The only one that ever came up they refused to do so.

Q. Is it not true that the reason they refused was that this arrangement was not made when the accident happened?—A. That was part of the reason.

Q. Do you think that this case you cited was a fair case to cite when it did not take place when the arrangement was made?—A. The manufacturer in whose employ the accident happened did not belong, I believe, to the insurance fund.

Q. Was that Mr. Hanbury?—A. Yes.

Q. And I think that was the reason they did not take up his case?—A. He wanted them to take it up as a matter of principle.

Q. But he did not enter into this insurance arrangement? That was the reason they did not protect him?—A. Yes, that was the reason why the insurance company did not protect him.

Q. Is not that the reason they did not?—A. I do not know whether it was entirely due to that or not.

Q. I see a letter dated December 4, 1905, protesting against certain manufacturers going into the retail trade. What was the result of that agitation?—A. It was simply dropped. There was nothing done about it.

Q. I see from this circular letter No. 134 (Exhibit 48) that there are errors in the price list you sent out?—A. I presume there are misprints.

Q. What is done in the way of retroactive adjustment of error?—A. I presume I send a subsequent circular.

Q. Suppose a man has paid too much, how is the consumer protected there?—A. I presume that the firm charging too much will give it back.

Q. This circular No. 124 says: 'There is an error in No. 12 list in No. 2 common, columns 16 and 17. The list reads \$2 more for these two points than it should. I am sending herewith a list corrected and including the advance made at last meeting on No. 2 material showing prices as they are to-day.' Now there are \$2 more charged

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there?—A. There would be hardly any shipments between the time I would advise them.

Q. How do you know?—A. Well, I would not think so.

Q. How did you discover the error?—A. In checking it over.

Q. I find also in one circular letter about another error which should have been \$20 and not \$20.50. I take it that there are a number of circular letters advising of an increase in price?—A. Yes.

Q. How would this be settled?—A. These are advices as to what was done, what was concluded upon at the meeting ordering an advance or a reduction.

Q. Nothing could be advanced without a meeting?—A. No, sir.

Q. I see there is an advance on August 9?—A. August 8.

Q. And one again in September?—A. I believe so.

Q. You seem to have met very frequently?—A. Yes.

Q. How often do you meet?—A. I think in the course of a year and a half we have met about nine times. I think that we meet once every two months on the average.

Q. Do you raise prices every time?—A. No.

Q. Have you ever lowered the price, do you know?—A. Some times. It will show distinctly what was done in the minutes. Sometimes prices have been lowered.

Q. All such things as involve a raise are put up in the minutes?—A. Yes, sir.

Q. I put in this circular No. 121 (Exhibit No. 49) addressed by you to your association, saying that the members of the Coast Association cannot see their way to raise the price of mouldings to a par with your recent advance of 40 per cent. What do you refer to by that?—A. Our price list was raised 50 per cent off, and the Coast list rate was 40 per cent off, and there were travellers from our mill who found it difficult to sell with the competition of the Coast and we asked them if they could not make the prices the same as ours, and they said they couldn't.

Q. Why do you call it 'the recent advance to 40 per cent off'?—A. Well, our rate was put up from 50 per cent off.

Q. It makes the price list?—A. Yes, it makes our price list you understand.

Q. I put this in (Exhibit No. 50). It is a circular letter dated May 12, circular No. 95. Did you send out that circular?—A. Yes.

Q. It is a copy of a resolution referred from the Alberta Retail Dealers' Association?—A. Yes.

Q. Did you understand the recommendation of that?—A. No, sir, I suppose it was merely sent out for information.

Q. Did they act upon it as far as you know?—A. Not as far as I know.

Q. It may have been that they did?—A. Well, I don't know, it might have been.

Q. Did you give notice to your members before you advanced the prices?—A. A circular was sent whenever a resolution was moved and any changes made.

Q. That is when the members got the price. Here is a letter (Exhibit No. 51) I want to put in, dated February 1, 1906, a little over a year ago?—A. Yes.

Q. It is circular No. 35 and says, 'Just at this time I think it well to ask all our members to put up a particularly bold front in the matter of prices. It is hard to estimate how many thousands of dollars depend upon the strict adherence to list during the next few months. The line yard people and other large buyers are endeavouring to discourage the millmen by statements that they can buy all they require at less than list, and they also draw weird pictures of coming hard times on the prairie, &c. The facts are that they cannot buy a foot of lumber at less than what you will sell it, providing you acted concertedly.' That is drawing a 'weird picture' of their having to pay what the millmen like?—A. Yes.

Q. What do you think of that letter making the statement that the state of the prices is absolutely in the hands of the millmen?—A. Well, as long as they do it reasonably.

Q. So reasonable as it is in the letter?—A. I don't think it is 'so understood.

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Q. Doesn't it say that they have absolute power over the prices?—A. If it says that in the letter it is there.

Q. 'The facts are that they cannot buy a foot of lumber at less than what you will sell it,' that is a statement to the millmen that you believe they could absolutely control the prices?—A. Yes.

By the Chairman:

Q. By the line yards do you mean yards established by the Mountain Lumber Association?—A. I mean that a company having large capital may establish a line of twenty or 100 yards.

By Mr. Knowles:

Q. This means that unless a man pays your price he cannot get a foot of lumber?—A. I don't know.

Q. I mean on this letter?—A. It might have been on that letter.

Q. You have had some trouble with some of the millmen wanting to make a present or commission to the manager of the yard giving an order?—A. Yes, there was some complaint on that score. That is equivalent to cutting prices.

Q. And it is not allowed?—A. No, certainly not.

Q. Well, if a man has no right to do that how do you stop it?—A. We cannot stop him.

Q. Well, what do you do?—A. It is a breach of business principles, a breach of honour.

Q. And a man who did that would be despised?—A. Yes.

Q. Don't you yourself get a commission in your selling department?—A. That is a different thing to giving commission to the retailer.

Q. Your association objects to the retailer getting ten dollars a car but you can get ten dollars?—A. For selling lumber for them. The retailer would be buying lumber, and that is a different thing.

Q. But you are paid a commission for placing the order?—A. We send a man out to get the order and place it with the selling department.

Q. Have you salesmen on the road?—A. One just now.

Q. What is his name?—A. Burney.

Q. What were you going to do with that \$10?—A. As I explained before the \$10 commission is used for the reduction of the expenses of that department. We want to get travellers on the road who will act on instructions and adjust disputes regarding consignments either on account of grades or shortage.

Q. You solicit orders from the dealers then?—A. Yes.

Q. So your association on the one hand represents the manufacturers and on the other it is in the business of soliciting business from the retail dealers?—A. Yes, partly it is.

Q. And in giving orders you let the dealers understand they will get better service if they order through you than if they ordered from the miller?—A. They can certainly get prompter shipment.

Q. So in that way you are very much advantaged in soliciting orders to what the ordinary mill man is?—A. Yes, it will be to his advantage under the conditions that exist.

Q. Here is a circular letter No. 107 (Exhibit 52) which says:—

'As I am in close touch with the mills in the Interior, most of whom furnish this office with stock sheets regularly, I would be glad to handle some of your orders and will place them with the mill best adapted to furnish the material required quickly. Orders placed through me shall be given whatever preference it is possible by the shipper.'

Do you hold meetings in connection with the Western Manufacturers' Association?—A. No.

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Q. Now here is a circular letter No. 215 (Exhibit 53); it is dated December 5, 1906, and reads:

'I am requested by the secretary of the Alberta Retail Lumber Association to advise you of the following resolution passed by a meeting of the local dealers at Edmonton on 29th November last.

'That the secretary be instructed to write Mr. Grogan, secretary at Calgary, asking that the directors of the Alberta Retail Lumber Dealers' Association endorse our request and forward to the Mountain and Coast Associations the wish of the Edmonton local dealers' association, to be advised by them of any contemplated raise in prices and also a wire giving date of such raise. It is found that the dealers in this district have frequent complaints from their customers owing to prices having been advanced so often, and it was thought that if the Alberta Retail Lumber Dealers' Association suggested to the association the advisability of fixing a price that would likely be maintained for some considerable period, business would not be so greatly affected.'

What was that?—A. Simply an advice I sent.

Q. Any action taken on it?—A. No.

Q. You also have in your association to keep sight of the retail men and keep track of those you think want watching and of those you do not?—A. Yes, in a way. Where the man is a substantial dealer.

Q. For example I see from circular letter 136 that one in the Province of Saskatchewan is in bad shape financially. That circular went to all your millmen?—A. Yes.

Q. Had you any ground to believe that?—A. I think I said it was purely anonymous.

Q. It was an anonymous letter?—A. Yes.

Q. You get an anonymous letter about a firm which so far as you know is a firm of respectable retail dealers and you send out a circular like that?—A. Yes.

By Mr. Sloan :

Q. Do you use Bradstreet?—A. We use all the different commercial agencies and also advise their representatives.

Q. I see you frequently write to the mill men and ask them to send in the names of men who are complaining of shortage in the cars and publish them through the mill men. You give them that information about them?—A. Yes.

Q. About some I see you say, 'some very hard to collect,' or 'suit entered by one firm.' Is that one of the objects of your organization?—A. Yes, one of its branches.

By Mr. Fowler :

Q. What do you charge for selling to the association?—A. \$10 a car.

Q. Did it not use to be \$15?—A. Prices vary; it is more than \$10, yet in some cases some obtain \$15

Q. You have a traveller on the road?—A. Yes. He acts on instructions and adjusts disputes regarding claims and shortages; that is one of the reasons we keep him there, and we are entitled to pay his way by taking orders.

By Mr. Knowles :

Q. Do you also keep up a banking exchange? As an association you decided you would stop the system by which mill men paid and made a decree that the retailer would have to do so?—A. Yes, but they did not do so; it was never enforced.

Q. You expected strenuous objection to this?—A. Yes.

Q. I see from circular letter No. 132, Exhibit 54, that you tell your man:

'Please note that it is an absolute rule that all payments must be at par at your office and you must insist upon and obtain it. Make your customers understand this

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at once and see that your drafts have exchange added. You may expect some strenuous objection at first and it requires firmness and no deviation by any one to make it accepted as a matter of course very shortly.'

A. That is an advice by myself.

Q. But you notified all retail dealers that you had to do it, did you not?—A. I do not remember whether I did or not.

Q. Those price lists that you publish you call them starting prices, they are only intended for the mill men's eyes?—A. Well, I have been sending them out to retail dealers.

Q. When did you start to send them out to the retail dealers?—A. I have sent many of them.

Q. I see from circular letter No. 186 (Exhibit 55) that you say:—

'I am sending by this mail a few copies of No. 14 price list. These are not intended hereafter to reach the retail trade but are meant for members of the association only. By following mail you will receive copies of the list in blank for the purpose of quoting prices to your customers.'

A. So that each mill could quote prices without going to the association.

Q. You mean that they could quote whatever they liked?—A. They could take the figures they had received from the association and quote for that point. The price list covers every point. If they were going to collect for an individual they could collect for that district.

Q. You had a list that was not intended to be seen by outside men?—A. It was not intended to go to the retailers.

Q. Or anybody else?—A. I have given them to others.

Q. But you say: 'Not hereafter intended to reach the retail trade?'—A. That means that it is not intended to be sent out from my office.

Q. So your idea is that they are not to expose this to the retail dealers?—A. No.

By Mr. Fowler:

Q. I have a couple of circulars here. I was trying to get from you yesterday an idea of the price, the net price, to the manufacturer. Would these circulars throw any light on the subject?—A. That is a statement I was referring to yesterday when I said 85 per cent. If you add up shiplap dimension you will find it is just about 85 per cent.

Q. That would not help you to answer the questions I was asking?—A. No, for this reason that it takes their lumber and gives percentage of the whole. That includes Nos. 1, 2 and 3.

The committee rose at 1 o'clock p.m.

Wednesday afternoon, March 20, 1907.

The committee resumed at 2.30 p.m.

Examination of Mr. WELLS continued.

By Mr. Herron:

Q. Were delegates appointed to go from the Mountain Mills Association to the Coast Association meetings?—A. Very often, not always.

Q. Were they not expected to be there? Was that not part of the arrangement that they would be represented at each place?—A. At every meeting?

Q. At the alternative meetings. For instance, if a meeting was held at the Coast was it not according to your regulations that a delegate should go from the Mountain Mills Association to that meeting?—A. Not according to my understanding. It was only at certain times that delegates were appointed when certain things were to be

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discussed, only at rare intervals were delegates expected to go. It was not a matter of regular procedure at all.

Q. Did delegates go from your Mountain Mills Association to the meetings on the prairie, of the retailers somewhere on the prairie in Alberta?—A. I do not remember a time when we had a delegate from our association to attend a meeting of the retailers' association.

Q. Then the delegates of the retail association attended your meeting?—A. At certain times.

Q. Could you give us the date of your meeting when those by-laws were annulled? You had by-laws framed in 1903 or 1904, I think?—A. In 1902, I think it was.

Q. Can you tell us the date when they were annulled?—A. They were annulled on 16th January, 1907.

Q. So far as those by-laws have any effect on your association, was under those by-laws that you worked all those years from the inception of the organization practically until January, 1907?—A. The former ones were the only ones in existence on which we operated presumably. But they were by-laws and constitution practically in name only. They were not carried out in actual practice.

Q. If they had ever been annulled in any way there would have been something to show for it?—A. They were not annulled until the last meeting.

By Mr. Knowles:

Q. Have you managed to recollect yet who told you about the by-laws?—A. No. I cannot recollect.

Q. You say at your last meeting in January there was a general feeling that there would be no further general changes made for some time. You are familiar with that minute?—A. Yes.

Q. When were those minutes put in this book?—A. Probably the day after; as soon as they could be written. They are the only minutes; the only exact copy that ever existed.

Q. I notice this red ink entry on page 9 of the minute book, 'Not being in accordance with the actual practice and work of the association which has prevailed since its organization.' By that do you mean to say, when you spoke of the changes when you went in, that that is what you call reorganization?—A. Yes. I think it mentions the word reorganization at the first meeting when they did reorganize.

By Mr. Herron:

Q. Does that mean a reorganization so far as a complete change of officers is concerned? The old association was still in existence, I suppose. What you allude to and wish us to understand is that that was just a new set of officers, a reviving of a practically defunct association?—A. That is practically all it was, new life and different methods.

By Mr. Sloan:

Q. What is the date of this reorganization meeting?—A. I believe it was on September 28, 1905.

Q. What was the condition of the lumber industry about that time with regard to prices? Were they high or low?—A. The condition of the lumber industry about that time was extremely bad. The demand was very good, but the prices obtained were simply terrible.

Q. Had there been any cut in prices?—A. Everybody was cutting, selling below cost in nearly every instance.

Q. Was the lumber dealer supposed to be making any money about this time?—A. I cannot speak positively, but my opinion is that they were making as much money as they ever made.

Q. What about the lumber manufacturers?—A. They were not making any money, they were losing money.

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Q. The manufacturers felt it necessary then to have a re-adjustment of price?—

A. They felt it imperative to do something in order to save their business.

Q. And this reorganization was more or less for the purpose of keeping prices on a basis at which they could continue business at a profit?—A. Yes.

Q. Now with regard to those list prices. Your organization acted as a selling agency?—A. We have a sales department.

Q. Do you ever cut those prices at all?—A. No.

Q. Has there been an instance where you have been offered a bonus on those prices for prompt delivery for instance?—A. Yes. And frequent times we have been offered a bonus if we got the lumber to them. I can recollect an instance and the name of a company with regard to that, right from Mr. Knowles' own town. I received a telegram, shortly before coming away, from the Pioneer Lumber Company, Moosejaw, asking at what price I could get 15 section houses filled. I simply had to answer them that I could not undertake to get them filled at all. They were willing to pay a premium. I have had a number of instances of receiving letters from individual dealers saying that 25 cents or 50 cents, or something like that, did not matter so long as I could get lumber to them.

Q. What is the condition of the lumber market now with regard to the demand?—A. As nearly as I can judge, after a careful survey of the whole situation in the mountains, there is in stock in the different yards in all the mills of the interior to-day probably between sixty and seventy million feet of lumber, and there is at the present time at those different mills orders calling for every single stick of it and more. In fact the demand is such as at the present time it simply cannot be filled. It is not a question of price down there at all. It is a question of getting the lumber and they cannot get it. It is not on hand and we will not be able to fill half of the orders that have come in this year.

Q. I do not quite follow this (Exhibit 54) (reads):—

'I am sending by this mail a few copies of 14 price list. These are not intended hereafter to reach the retail trade but are meant for members of the association only. By following mail you will receive copies of the list in blank for the purpose of quoting prices to your customers.'

That is a letter written to the manufacturers?—A. Yes.

Q. I presume these prices in blank were to be filled in to reach the very towns where freight tariffs would cost a different price to the retailer?—A. As I explained this morning, what is referred to as No. 14 price list covered the prices for all points, the delivery price list of all points. The blank price list contains reading matter with different items with blanks for the individual to fill in with prices for each individual point.

Q. Consequently it would be a great deal of trouble to get out a printed list for each point?—A. Certainly.

Q. Now during the period of 1904 to 1905 there was a good deal of competition from American points?—A. Yes, there was a great deal of competition.

Q. What was the reason of that competition?—A. The reason of it was that the conditions in the United States were such that they could obtain better results by sending single grades into our country than they could in their own.

By Mr. Herron:

Q. What are the principal points to which American stock comes?—A. All over the country for instance, right to Calgary.

By Mr. Sloan:

Q. That is from the State of Washington, I suppose?—A. From Idaho.

Q. Is there no competition from the American side just now?—A. It has not been felt.

Q. Do you know anything about prices on the other side?—A. They are getting better prices on the American side than on our own.

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Q. Were not the Alberta retail dealers more or less connected with the Western Retail Dealers' Association?—A. Yes, their scope extended over Alberta.

Q. Those dealers in Alberta up to the time you formed an independent association were connected more or less with the Western?—A. Yes, many of them.

Q. Do you know how many years the Western Retail Association had been in existence?—A. I do not know exactly; six or seven years that I know of myself.

Q. It has been reported to me that it was started about 1891?—A. It may have. The first I remember is six or seven years ago.

Q. You have no actual knowledge?—A. No.

By Mr. Knowles:

Q. What kind of telegram did you get from the Pioneer Lumber Company asking you to ship for a bonus?—A. I am not sure that it was from the Pioneer.

Q. It was some inquiry?—A. Yes.

Q. You are very careful in saying anything at certain times, but you undertook a moment ago to swear that they were ready to pay a bonus. What ground have you for saying they were prepared to pay a bonus?—A. I did not swear they were to pay a bonus. I undertook to say that I got this inquiry tending to show this.

Q. You went further and told us, the committee, that they were willing to pay a bonus?—A. I presumed that.

Q. You say that the condition of the lumber trade in British Columbia prior to your taking office in 1905 was very, very bad?—A. Yes.

Q. You were quite familiar with it?—A. Yes.

Q. And studied it?—A. Yes.

Q. Yet when I asked you about anything else in 1905, such as the arrangement for the lumber industry as between the Coast and Mountain associations, you did not know anything about it?—A. It did not interest me so much as the actual prices for lumber did.

Q. You told us that large quantities of lumber came to Calgary. When did it come?—A. In 1904 principally.

Q. Any since?—A. I do not know whether any came in 1905 or since.

Q. What quantities came in 1904?—A. I cannot tell you.

Q. Were they small or large quantities?—A. According to the dealers they were buying all the lumber they wanted from the Americans. They said they could get all the lumber they wanted.

Q. What dealers gave you that answer?—A. I cannot give you their names.

Q. Where did they live?—A. Dealers in all the towns from Calgary east.

Q. What towns?—A. Take the dealers in such places as Regina, Grenfell, Indian Head.

Q. They told you that they were buying all they wanted from the United States?—A. Yes.

Q. What dealers told you that?—A. I cannot give names offhand.

Q. The dealers in a place like Regina are generally pretty well remembered?—A. I cannot remember at this time. That was the impression given me at the time by different dealers.

By Mr. Sloan:

Q. I suppose this fact of American competition was used as a general lever?—A. Yes.

Q. Prior to 1905 you were not connected with the Mountain Lumber Association and do not know anything about their transactions?—A. No.

By Mr. Knowles:

Q. You say that the prices in the United States are higher than in Canada at present?—A. Yes.

Q. How long have they been higher?—A. I do not know.

Q. How much higher are they?—A. That would be a very difficult question to answer indeed, on an average even. I know they are higher on most things than we are. I cannot say how much.

Q. You were not in a very good position to judge?—A. Well, for instance I would go around the yards at Spokane and ask the millmen there what the prices were for certain grades of lumber and in that way compared them with our prices and knew that they were getting more.

Q. You don't know how much more?—A. In some instances a good deal more.

By Mr. Fowler :

Q. More than the Coast prices or the Mountain?—A. Mountain prices.

By Mr. Knowles :

Q. That is the lower price?—A. In our country the Coast men's price is a little higher than ours.

Q. Were sales on the increase?—A. I don't inquire about that.

Q. Do you know whether there was the same rise in United States lumber as there was here?—A. There may have been a raise.

By Mr. Sloan :

Q. If there be no competition from lumber coming in from the United States the price would remain necessarily higher?—A. Yes.

By Mr. Lancaster :

Q. This exhibit No. 45 was presented by you?—A. Yes.

Q. You were not secretary in 1902?—A. No, sir.

Q. How did this book come into your possession?—A. It was sent by the former secretary to the office of the association in Nelson.

Q. When you assumed your duties as secretary treasurer, you found this book on the premises that you were occupying?—A. Yes.

Q. Whose writing is this minute of 1902 in?—A. Well, I cannot tell you.

Q. I will read a motion that was passed apparently on April 12, 1902, 'It was moved by Mr. M. B. King, seconded by Mr. D. V. Mott, that the secretary communicate with Mr. Isaac Cockburn suggesting that every member of each association be a member of the other, and that this association suggests that the fee for honorary membership in this association be five dollars.' 'Mr. D. V. Mott advised that every member of this association become a member of the Western Retailers' Association. The question of an agreement between the two associations was discussed at length,' and then it was moved by Mr. M. B. King, and seconded by Mr. Mott that the members of each association be members of the other association, and suggesting that the fee for honorary membership in this association be five dollars. Do you know if that resolution was ever rescinded?—A. I don't remember whether it was rescinded at a meeting of the association.

Q. So far as you can tell was it ever rescinded?—A. So far as I know it is from that minute. I know of no such thing being acted on.

Q. No such thing as what?—A. As the members of the association being members of the Western Retailers' Association also.

Q. You do not know whether it existed otherwise than from the minute. If it existed at all this would be evidence of it?—A. Well, yes.

Q. And you say that it does not exist so far as the record shows?—A. It does apparently, but no members of our association are regarded as members of the Retailers' Association to-day.

Q. What you mean then is that things remain as they would be if this resolution remained unrescinded?—A. Well, I think in 1903 I went to Winnipeg and attended a meeting of the Retailers' Association at the Hotel

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Q. Would that not be in June, 1904?—A. It was in 1903 I think I attended the Winnipeg meeting.

Q. Mr. Isaac Cockburn attended a meeting on the 10th June, 1904, it doesn't say where. Oh! that is only a committee meeting. What happened on the 25th, would that be in here? (Indicating exhibit 45).—A. I don't know I am sure.

Q. Where can we find out what the arrangement is?—A. Well, there is no arrangement. I don't know whether the proceedings of the Winnipeg meeting are recorded or not. I was at the meeting.

Q. On June 20, 1902, from these minutes, it was moved by Mr. J. O. Slater, seconded by Mr. M. B. King, 'that this association having had a joint discussion with the delegate from the Western Retail Lumbermen's Association on the subject of increased reciprocal dealings and the strengthening of the two associations, it is hereby resolved to ask the Board of Directors of the Western Retail Lumbermen's association to amend its by-laws as follows:—

'Whereas it is desirable to bring about a more full and complete control by the co-operation of the members of the Mountain Lumber Manufacturers' Association with the members of the Western Retail Lumbermen's Association, it is hereby enacted that all honorary members of the Western Retail Lumbermen's Association from the district from which the Mountain Lumbermen's Association draws its membership shall first be members of the Mountain Lumber Manufacturers' Association. It being nevertheless understood and agreed that the Western Retail Lumbermen's Association shall have full power and authority to enforce all conditions and penalties in relation to its honorary members.' Well, do you know anything of any such action being taken?—A. None whatever. So far as the actions of the association, the previously existing by-laws or minutes have never been consulted in the slightest degree.

Q. Then this is all nugatory?—A. That has never been acted upon.

By Mr. Herron:

Q. Surely there was some by-law?—A. As I explained that when I took hold of it as secretary I simply went right in and used my own judgment in forwarding the interest of the trade, and did very much as I liked. If there was anything wrong they would have undoubtedly told me.

By Mr. Lancaster:

Q. Can you tell us where we can find anything to confirm what you say on the minutes of this meeting at Winnipeg?—A. I am sure I don't know. It was a meeting of the Western Retail Lumbermen's Association and a great many of the Mountain and Coast millers attended. I don't know whether they were delegates.

Q. Are there any minutes of a general annual meeting that your association held at Cranbrook?—A. That would not be the meeting I referred to.

Q. That is the meeting on the 25th?—A. There would not be any minutes in there of the meeting I referred to.

Q. There is a minute here of January 25, 1904, 'That a delgation be sent to Winnipeg, of at least five members, the first week in February, to discuss matters of general interest to the lumber business. The committee to have power to add to its number.' That was moved by Mr. G. C. Wells and seconded by Mr. J. W. Robinson. Did that happen in February?—A. I don't know. I thought it was in 1903. I am apparently mistaken about the year.

Q. Was the report of the retail association confirmed?—A. I don't remember any report being sent in.

Q. A meeting of the association was held on June 22, 1904, in the Board of Trade room, Nelson, B.C. Is this minute in your writing?—A. No.

Q. But you were present at the meeting and you are put down here as being present for W. C. Wells. The report of the committee to meet the retail association was read, and on the motion of Mr. F. W. Jones, seconded by J. G. Billing, that report was adopted and the agreement arrived at with the retailer's confirmed?—A. I have no doubt that it was referred to.

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Q. 'A lengthy discussion took place in which the general opinion of the meeting was that by severing connection with the Retailer's Association'—and it was moved by Mr. Dewar, seconded by Mr. G. P. Wells, 'That as it is evident that many retailers are breaking the rules of the Western Retail Lumbermen's Association by not buying from honorary members, be it resolved that our members may sell to whomever they please whenever it is shown that the local association dealer is buying from mills not members of this or Coast Association?'—A. There was undoubtedly in those days and previously an understanding between the Retail Association and the millmen as to whom they would sell to.

Q. It was broken up in 1904?—A. It certainly was.

Q. I understand you to say that it was abolished in 1904. I am pointing out to you that this was a report which was adopted, and that report contained an agreement with the retailers?—A. Well, I have no idea what it was.

Q. And you seconded the motion that the members might sell to whomever they please when it was shown that the local association dealer was buying from mills not members of this association and, 'This association will as a whole support any of its members who act under the resolution and it is required that any complaints against members of this association be submitted to this association for investigation and our executive is authorized to recommend the expulsion of any of our members found to infringe the rules of the Retailer's Association without any reasonable cause?'—A. Undoubtedly.

Q. That condition of reasonable cause is the condition that when ever it is shown that local dealers buy from mills not your members?—A. I am not sure that the motion passed.

Q. This matter seems to be considered in 1904, and it goes so far as to become a resolution to provide for the expulsion of retailers who break the rules without cause?—A. So far as the records show that is so.

Q. Do you know anything later than these minutes?—A. I don't know of anything.

Q. Can you tell anywhere here if the other side of the question was brought forward?—A. I could not tell or indicate anything. As I stated this morning I have not read these old minutes.

Q. Do you know someone who was a member in 1904 who could indicate to me when the change was made?—A. All I can remember was that in a general way there were rules suggested, and a deputation went to Winnipeg to withdraw from all membership.

Q. That was not done then, because you see by the minutes there is the delegates' report, and what I should describe as a binding agreement with the retailers?—A. I don't remember any agreement.

Q. We find reference to it on pages 162, 163, 164 and 149 and 150 of the minute book?

By Mr. Sloan :

Q. This committee met to adjust excessive prices?—A. We met to adjust prices.

Q. In cases where the charges were too high you wanted to reduce the price?—A. To protect the consumer.

By Mr. McIntyre (Perth):

Q. You say that in 1905 you could not make money because of the low price?—A. Well, I think I can explain that. Some of the small mills would set a price and when their traveller went down to the prairie, he would find that someone had been before him and offered the dealer lumber at a lower price. When the dealer had lumber offered at a price higher than the first he would say 'I cannot buy from you I can buy better,' and then the second man would come down and the man that followed him would have to come down and so the price would be reduced all round.

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By Mr. Schaffner :

Q. The small mills are responsible to some extent ?—A. Yes.

By Mr. Sloan :

Q. What was the immediate effect ?—A. Cutting of the prices.

By Mr. Herron :

Q. Are the outputs of the small mills that are members of the association sometimes bought by the large mills which are members of the association ?—A. Yes.

By Mr. Lancaster :

Q. At a meeting on November 12, 1904, a discussion took place regarding the Manufacturers' Company and resolution was passed that the local members should get control of that company, and on the motion of Mr. Jones it was decided that the association should support the members in the payment of the calls ?—A. Does that mean the Manufacturer's Association of Canada ?

Q. A long discussion took place with regard to the Manufacturers' Company, and it was deemed advisable that the local members should get control of the company, and it was resolved that the members of the association should support it by the payment of the calls ?—A. Do you mean the Manufacturers' company or the association ?

Q. They are the same.—A. It might mean the Manufacturers' Association of Canada.

Q. They are to get control of the company ?—A. That must be in regard to the attempt to organize a selling company. There were abortive attempts from time to time to organize a selling company but nothing came of it, and this must refer to one of those attempts.

Q. What would be the meaning of this phrase 'by payment of the calls' ?—A. I could not tell you now.

Q. The calls are calls on stock when the company require money ?—A. It must have meant the payment of those calls.

Q. This resolution that your members support the company by the payment of the calls. Does that mean your association members should individually put their hands in their pockets and pay the calls when there is nothing owing by them but owing by somebody else ?—A. I don't think so. I am not quite clear as to the meaning of it. I don't think the individual members would be called on.

Q. One would draw this inference, and if you can rebut it it is fair to do so. One would draw this inference that your association would call on your members to put their hands in their pockets and pay these calls in order that the company may be controlled. After a long discussion a resolution was passed that your association should support the members by the payment of the calls. Now the inference is to me that the call would be made on individual members, and that the object was to prevent having any competition with you ?—A. From what I remember this was to organize a selling company, and that could not be in competition with us, a manufacturing association.

Q. Was that, as a fact, ever carried out ?—A. No, sir.

Q. You know it was not ?—A. I know there was never any calls issued. It is one of those many attempts in various ways to get the lumber placed on the prairie at a profit to the manufacturer. If you will allow me to say so, things were in such a condition that the manufacturer was driven to almost any resorts to get something for his lumber.

Q. And if he did anything strange he did it in self defence ?—A. He did certainly.

By Mr. McIntyre (Perth) :

Q. And at the same time the consumer likely felt that somebody was pinching him very hard ?—A. I heard nothing of it in those days.

By Mr. Sloan:

Q. What is your opinion of the prices the consumer is paying for lumber?—A. I have talked in an informal way with many men who are interested in yards on the American side, and I think I know that the settler on the American side, situated in a similar position to those on our side, pays more.

Q. I am asking you what is your opinion of the prices the consumer is paying now? Is he paying excessive or reasonable prices?—A. I think the prices are reasonable.

By the Chairman:

Q. Do you know what they are?—A. I do not know what they are. The retailer has nothing to do with me.

Q. You do not know what the retailers are charging?—A. No.

By Mr. Sloan:

Q. I thought you said here that at one of the meetings of the retail association, one of the objects was to adjust excessive margins?—A. That was a long time ago.

Q. You were a member of the committee?—A. There must have been something at that time tending to show that dealers were giving bigger margins and if there was any cry made we wanted to be able to show that we had done our best.

By Mr. Knowles:

Q. The manufacturers and the retailers had a joint organization for some time?—A. For some time.

Q. And that was broken up. They could not get on together. The retailers say they fired the manufacturers out. Do you know whether that is their view?—A. I do not know.

By Mr. Sloan:

Q. This committee had instructions to adjust excessive margins. As a matter of fact that must have been discussed at the Manufacturers' Association, and there must have been some complaint that the retailers were charging excessive prices, and one of the objects of your committee going to Winnipeg was to see that there were no more excessive prices charged. Did you give a basis to the retailers as to what the charges would be?—A. I do not think we suggested what would be a reasonable profit, but what was suggested at that time I think was that they should charge such profits only as they could make their price lists pay.

Q. You requested them to make them public?—A. Yes.

Q. Was that complied with?—A. It was for a while. I remember price lists being posted at stations nearly all over the province, but it was done away with.

Q. You felt as manufacturers that you were directly interested in what the actual consumer paid?—A. Yes.

By Mr. Lancaster:

Q. Did you resent that dictating, as it was dictating, or interfering as to what you should do or did you meet them and try and suit?—A. We resented the position we were in.

By Mr. Sloan:

Q. What was the cause of this resolution being passed. What information were you acting on?—A. I cannot tell you that.

Q. Were any complaints sent by the consumers?—A. I think there was a good deal brought forward by the railway company in those days that the prices were excessive.

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By Mr. Knowles:

Q. And they were going into the business themselves and start sawmills?—A. Yes, and we were simply making it our business to see that it was not going to be done by the retailers and charged to our account.

By Mr. Sloan:

Q. Did you get any complaints from the consumers as to excessive prices?—A. I never got any.

Q. Suppose you did get any from some retailer or the northwest Retail Dealers' Association about some recognized dealers' association, would you take it up?—A. Certainly, in the interests of the manufacturer.

By Mr. McIntyre (Perth):

Q. If the consumer is actually paying too much for his lumber is any fault at the door of the manufacturers in British Columbia?—A. Certainly not. I will say this in my own judgment, if he is paying too much for his lumber now he will certainly have to pay a good deal more in the near future.

Q. You are not making a threat from any combine?—A. No, not at all, from actual conditions.

Q. That would not be an answer to my question?—A. I do not think any fault would be at the door of the manufacturer; if there is any excessive price it is not due to the prices charged by the manufacturer.

By Mr. Lancaster:

Q. Do you object to say what is the percentage of profit the mill owner has now?—A. Would you like me to answer that from my ordinary knowledge of the business?

Q. You are secretary of the association and you should have the best information.—A. I do not go into their books and see what profits they are making.

Q. Do not they ever discuss it?—A. If you want to know from that standpoint I believe, in fact I feel convinced and know myself, that the average profit made by all the manufacturers, in the interior at least, of which I speak, that there has not been five per cent of profit made by them up to date, and in a great majority of cases right up to date for the last five or six years they have actually lost money.

Q. Do you mean five per cent net profit?—A. I mean on their actual investment.

By Mr. Knowles:

Q. You mean five per cent per annum?—A. Yes.

By Mr. Lancaster:

Q. On the business they are actually doing you do not say only five per cent?—A. On the business they are actually doing. I do not believe they are making five per cent per annum. Many of them are actually losing money. Some of them are making a little money, but on the average I do not believe they are making five per cent on their turnover.

By Mr. Knowles:

Q. Do you think they are making five per cent on their turnover?—A. I do not think they are.

Q. Do you think they are making four per cent?—A. I am speaking in a general way. I mean that the lumber manufacturers to-day are making no money.

Q. When you say five per cent on turnover or five per cent on investment do you mean they are synonymous?—A. Not necessarily.

Q. How much then do you think they are making on their turnover. Do you think they are making four per cent?—A. Between four and five per cent on their

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turnover, on their sales. For instance I know one large company, one of the largest producers in the interior, he was talking confidentially and going over figures in their books some time ago and I know that in the last five years they have sold between eleven hundred thousand and twelve hundred thousand dollars worth and their profit on that was about forty thousand.

By Mr. Lancaster:

Q. Do you know what happened at the meeting on June 27th, 1903?—A. I do not know.

Q. I find this quoted:

'Considerable discussion took place? It was moved by Mr. Jones, seconded by Mr. Lindmark that when it comes to bringing men into the country it is the sense of this meeting that not more than \$35 should be offered for the experienced bushman and not more than \$30 for common labourers, and that a committee be appointed to meet the C. P. A. re special rates for labourers.' Is that the actual average wage for that period for experienced bushmen or poor labourers?—A. In 1903 up to that time, the mill we were operating did not pay more than \$30 a month except for skilled labour.

By Mr. Sloan:

Q. How did you pay loggers?—A. \$30 a month was the most that the best loggers got.

Q. And for fallers?—A. \$30 a month all round.

By Mr. Lancaster:

Q. What are other people who are in the same place paying to-day?—A. The people were sold out and those in their place are paying from \$45 to \$50 and as high as \$55 instead of \$30, and the man is not as good as the man who was getting \$25.

By Mr. Knowles:

Q. You say they paid only \$30 for the same men to whom they are now paying \$50 to \$55?—A. Exactly.

By Mr. Lancaster:

Q. Were you secretary in 1905?—A. I was appointed in September, 1905.

Q. The typewritten minutes are yours?—A. All except the first meeting.

Q. The first meeting is on September 27?—A. I was not there.

Q. Then the 28th September?—A. I was not there.

Q. On 28th September it was moved by Mr. Dudgeon, seconded by Mr. Avery, that a committee of three be appointed to draw up the necessary affidavits or agreements binding the members to uphold the price list.' Did you draw up affidavits and price lists?—A. No, I did not.

Q. Why did you not obey the resolution that would be a protection to you?—A. I did not look upon it as protection to me.

Q. Were you not a member of that committee?—A. No.

Q. As secretary did you not see whether that was done?—A. No.

Q. Was it ever done?—A. I believe there was an agreement framed at that time which was only signed by a part of the members and afterwards destroyed.

Q. Well, they appointed a committee?—A. I do not know whether they ever met.

Q. Have you got any such agreements in your possession?—A. No.

Q. There was one drawn up?—A. There was.

Q. But no affidavit?—A. No affidavit.

Q. What was done to combine the members to uphold the price lists?—A. Well, as I say, there was I believe an agreement signed by part of the members but it failed to pass.

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Q. Have you got it?—A. No, there were some in my office which were destroyed afterwards. I believe they thought that such a thing was not necessary and would be better put out of existence. It was destroyed.

Q. Do you mean in November?—A. There is nothing in the minutes pertaining to that. The arrangement was simply done away with.

Q. Will you show us the minutes. I would have thought that there would be a minute cancelling it?—A. There is not.

Q. I am asked to ask you whether the agreement was ever acted on in any way?—A. No, certainly not.

Q. What did they do to uphold each others price list?—A. They simply depended on each other doing it on the recognition that it was a good business principle.

Q. It comes to this that there was such an agreement virtually acted on?—A. As far as I say.

Q. If you and I pass our word of honour to do a certain thing that is binding?—A. We would certainly do that.

Q. Are there many Mountain mills that are not members of the association?—A. There are quite a number.

Q. Do they hold the same prices that you do?—A. I cannot tell you. I presume they base their prices and get what the others get.

Q. You think they fix their prices on your list?—A. They would be foolish if they did not.

By Mr. Knowles:

Q. Would you tell us the mills that are not in your association?—A. There are forty-five or fifty shipping mills in the interior and I know fifteen or seventeen who are not in the association.

Q. Fairly large mills?—A. Nearly all the large mills are members, but the ones that do not belong to the association will average a cut of 25,000 to 30,000 a day each.

Q. Tell us three or four?—A. Well, there is Peter MacLaren and there are several mills around Fernie, the Spirewood Mill Co. and the Forest Mill Co., and the several mills around there. Going along further there is the Jewel Lumber Co., though they have certified their intention of joining, and there is the Cartwright Lumber Co.

Q. What reason do these men give for not coming in?—A. They never gave any reason. I never asked them to join.

Q. There would be the same invitation as to the others who did come in?—A. Some might not have been communicated with at all. I have taken the opportunity several times to write some of them asking them if they would not assist in the association but they were getting benefits and not assisting financially.

Q. They recognized that they got the benefits of the organization?—A. I think they would be very foolish if they did not.

EDWARD HEWETSON HEAPS recalled, sworn and further examined.

By Mr. Knowles:

Q. Just one point that I want to make clear to the committee. I understood you yesterday to say that there was no joint action between the Mountain organization and the Coast organization?—A. I hardly understand what you mean by joint action. We have frequently met together as kindred associations will meet.

Q. I would like to recall what you said yesterday, if I remember rightly, that there was no acting together, that they did not act in any way?—A. We are not affiliated in any way. That is to say we have no regular kind of meeting, no understanding, no by-laws, no agreement that would bring us together. Simply common interests that would bring us together.

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By Mr. Lancaster :

Q. Do common interests bring you together ?—A. Yes, occasionally it does. Of course their freight rates are so much lower than ours that they fix the price for us.

Q. Their prices are lower ?—A. Yes, our prices are always higher than theirs.

Q. And you say that amounts to their fixing the prices for you ?—A. That is really what it amounts to in effect.

Q. Do you get together to discuss that ?—A. We have met sometimes to discuss prices?—Did you not say yesterday that you never met to discuss prices?—A. I do not think so.

Q. And did you not say you did not fix prices jointly?—A. I do not think so.

By the Chairman :

Q. I understood Mr. Heaps to say there was no underselling between the two organizations.

By Mr. Knowles :

Q. Did you say yesterday there was no understanding between the two organizations ?—A. I think it is quite likely I said that because there is no definite understanding between the two associations.

Q. Were you at the meeting where they came to a conclusion as to prices ?—A. I have been present at two or three meetings but I do not think prices were discussed at those meetings.

Q. Were you present at a meeting on 28th September, 1906 in the City of Vancouver, a joint meeting of the British Columbia Lumber and Shingle Manufacturers and the Mountain Lumber Manufacturers' Association ?—A. I think it is very likely. If my name is there I suppose I was present.

Q. Can you tell the committee if there is any understanding regarding prices between these two associations?—A. I don't think there was any definite understanding. What I mean is this, that we would never consult them in making our price list. Our price list is really based on the current conditions of the market and whenever the prices were affected by those conditions we naturally consulted them and took their prices into consideration.

Q. What I want to get at is this: do you say that there is no understanding as to prices?—A. What I do say is that there is no definite understanding between the two associations as to what prices we shall charge.

Q. In this book (Exhibit 45) at page 281, I find that you were present at the meeting in the city of Vancouver, and that a resolution was passed with regard to the Mountain and Coast price list. Do you think that that was carried out?—A. I have no doubt it was agreed to.

Q. Well, in the face of that motion will you say that there is not an understanding between the two associations?—A. As I stated at first, I hardly know what you mean by an understanding. There is no understanding between the two associations that we shall maintain any particular price list. We have a perfect right to make our own price list, and they are free to make theirs.

Q. You attended the meeting in support of the resolution and will you still say that there is no understanding?—A. May be there was an understanding, but it was not binding as you seem to think.

By Mr. Lancaster :

Q. Do you mean that what happened there was that a general understanding was arrived at to apply at the time, and that you do meet from time to time and come to a temporary understanding?—A. Exactly.

Q. Fixing the price?—A. I mean the conditions of the market may result in our meeting together and agreeing together that the conditions are such that we could affect a change in the price?

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Q. And that is evidence of an understanding?—A. Allow me to explain. You are all business men. We meet together and agree with regard to conditions and the fixing of prices, but the conditions in the Mountains may not be the same as those on the Coast and if the conditions in the Mountains are such that the higher price can be obtained and they make that price we follow them.

Q. You state that they practically fix a price and you follow them?—A. They have a lower rate.

By Mr. Sloan:

Q. What is the difference?—A. About seven cents a hundred.

Q. About seven cents a hundred pounds. What is that per thousand? \$1.25 to \$2 per thousand?—A. Yes.

By Mr. Knowles:

Q. The charge in the Mountains for lumber regulates yours. What difference did it make to you?—A. Well they have a very much larger output of common lumber.

Q. You have a different quality have you not?—A. No we are selling the same grades of lumber in the same markets. Our shiplap for instance competes with theirs. Their price as I have stated before is always lower than our price.

Q. Do you compete in price with common boards, shiplap and dimensions?—A. Yes.

Q. In the same localities?—A. Yes.

Q. As to flooring?—A. Their grade of flooring is a little different to ours.

Q. Do you ever sell in carload lots?—A. Yes, frequently.

Q. When you stated that there was no understanding between the Mountain and Coast associations do you think you were frankly and fully telling the truth to this committee in the light of that resolution?—A. I think I was. I think I am quite justified.

Q. You do not think it is calculated to mislead?—A. I think not.

By Mr. McIntyre (Strathcona):

Q. Yesterday I understood you to say that the foreign market was what regulated the prices and I understand you to say to-day that the Retail Lumbermen's Association and the Mountain Manufacturers' Association regulate your prices?—A. I think both these statements would be correct. When we have to meet the Mountain Mills in competition, then, of course, we have to meet their prices, but if we can get a higher price on the export trade then it is quite natural that the trade should influence our prices.

Q. You stated, and the impression I formed was, that the duty affected your prices. How can it be then that the Mountain Association regulate your prices?—A. What I wish to say is this that owing to the conditions which have been brought about by legislation that is not in the interest of the country, we have to look to the foreign market. We ought to look to the home market. That ought to be the natural market, but owing to the legislation that has been passed by our government, we cannot control that market.

By Mr. Knowles:

Q. You have delegates passing to and fro from one association to another?—A. Yes.

Q. And I believe complaints for not keeping up prices are laid before each?—A. Yes.

Q. If your association has a claim they put it before the Mountain Association?—A. Yes.

Q. Notwithstanding all that you told us, that there was no understanding between the two organizations?—A. I would admit this, that the common object of both associations is to keep up the price.

By Mr. Lancaster:

Q. And you meet from time to time for that purpose?—A. We do meet and have met with that object in view.

By Mr. Knowles:

Q. And you were aware of this fact when you made the statement to us?—A. Yes. We never fix our prices together.

Q. You fix your prices according to conditions in the Mountains?—A. Also the Coast.

Q. What about items one, two, three, four and five in this Coast list?—A. Yes, we have made advances in those, but they are very different to us.

Q. I am talking about the change in the prices made at the general meeting?—A. I wish to point out that our conditions are so different, our grades so different, that we cannot make the prices the same.

Q. It is not necessarily the same advance, but the general meeting settles the advance for both vicinities?—A. Yes.

Q. Then you have a very distinct understanding as to prices?—A. Well, I think that nothing would be more natural.

Q. I say that you have a distinct understanding with regard to the two prices?—A. I think so, I think it is quite correct.

By the Chairman:

Q. I would like to ask a question with regard to this, do you get the same price for shingles from the retailers in Manitoba as you get from the retailers in Ontario?—A. We get exactly the same price. The only difference is in the freight.

Q. I understand that the retailers in Manitoba charge a higher price than those in Ontario?—A. In the west I have no doubt that the dealers have a much broader idea as to what profit they ought to receive on the commodities they sell.

By Mr. McIntyre (Perth):

Q. That is the only reason you know for the difference in price?—A. I may say as one of the representatives of the shingle interest, that at one time shingles were sold at \$1.20 a thousand and retailed at \$4 a thousand.

Q. What profit would you show on that? Would not part of it be freight?—A. The freight would be 80 cents per thousand, and the shingles were retailed at \$4 on the prairie.

Q. Then the retailers made 100 per cent profit?—A. Yes.

By Mr. Schaffner:

Q. Do you know how long ago it was that that changed?—A. About three years ago.

Q. The retailers were putting an excessive price on the shingles?—A. Yes.

By Mr. McIntyre (Perth):

Q. What are the prices of three X shingles?—A. They are selling at about \$2.15. They were sold at that time for \$1.10.

By the Chairman:

Q. Two dollars and fifteen cents is the best price?—A. Yes.

By Mr. McIntyre (Perth):

Q. Has there been any recent advance?—A. An advance of ten cents some time last week.

By Mr. Schaffner:

Q. What are shingles selling for on the prairie now?—A. I don't know.

By Mr. Knowles:

Q. You are stating the price of shingles in Vancouver?—A. Yes.

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By Mr. Herron:

Q. Do you buy the output of small mills?—A. We do sometimes, when we think there is any money in it.

Q. What is the actual cost of shingles laid down in the car?—A. In my mill the cost is as low as \$1.50, but in other mills it will run a trifle higher. I would say that the average price would be about \$1.50. That does not include the cost of selling.

By the Chairman:

Q. It is merely the cost of the timber and manufacture?—A. Yes.

Q. And laid down in the car?—A. Yes. There is another point I would like to explain in regard to the question of duty. I would like to point out that under the conditions that prevail with no protection, we are hit in both ways. We pay 27½ per cent on machinery. Most of the machinery comes from the American side, and in building a new mill the excessive cost for duty and freight increases the cost of our mills to such an extent that we are unable to manufacture at a lower rate to make a profit.

By the Chairman:

Q. One of the causes of the increase in prices has been the increase in the cost of production, cost of material and machinery?—A. Yes. I would point out that the eastern manufacturer gains nothing. We have to buy our plants in the United States and pay a duty on them, which gives no benefit to the eastern manufacturers.

Q. You would like to have a lower duty?—A. If we are going to have free trade we want to have it all round.

By Mr. Sloan:

Q. And make a square deal all round?—A. Make a square deal.

Q. Has there been any other increase?—A. In the figure bandsaws. We used to manufacture our own saws in the mill, and put in special machinery, but I suppose the eastern manufacturers got on to that and now we have to pay a duty of 30 per cent on bandsaw blades. It is of no benefit to the eastern manufacturer because we cannot get these saws that will take our heavy timber in Canada. We have to go to the United States, and the only result of the change is to swell the revenue of the Dominion government.

Q. Of course, you have put that on the price of lumber?—A. We would like to do that and I say by this arrangement we are trying to protect ourselves against conditions produced by legislation detrimental to the interests of British Columbia.

By Mr. Herron:

Q. I must say you don't go about it in a very just way, in joining together all the producers to sell to these people on the prairie. That is not reciprocal?—A. Still I would like to point out that lumber is free, that the Manitoba settler can import lumber without duty and I would also like to point out the large increase in the prices of commodities that has taken place in British Columbia. We pay just double for hay what we paid a few months ago. Horses have gone up. We used to pay about \$250 or \$400 for a team and to-day we pay about \$800 for a team of horses.

The CHAIRMAN.—They must be an extra class of horses.

By Mr. Herron:

Q. The horses you pay 800 for must be fancy horses?—A. A good heavy team such as we use is worth to-day in Vancouver about \$800. The reason that this was brought about—I am not speaking from a political point of view—was that the federal government by their action caused a number of our best horses to be killed for glanders, and the price has gone up to such an extent that we have to pay \$800 for a team.

By Mr. Lancaster:

Q. Did you pay \$800 last year?—A. We had some horses killed valued at \$400 killed for glanders when there was not a trace of glanders about them.

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Q. Did you have to pay \$800 to replace them?—A. The price has been going up gradually. We could get horses at a little lower price last year.

Q. How much lower?—A. About \$100. That has been about the advance every year.

Q. About the same proportion every year?—A. The same advance last year.

Q. About \$50 a horse?—A. Yes.

By Mr. Herron:

Q. Beef has never been as low as it has been this year?—A. I think in the case of all supplies there has been a considerable increase lately.

Q. Beef has never been lower?—A. Pork has gone up.

Q. It should not, it ought to be as low as it has ever been in the history of the country, and oats were never as low as they can be bought for at the present time?—A. Oats we pay about \$25 a ton for, hay we buy for \$25 per ton. I think that if the advance in lumber had been in the same proportion as the advances made in other things the price of lumber would be \$3 or \$4 a thousand higher than it is to-day. The statements that have been put in here I think will prove that.

THOMAS WILKINSON SWORN.

By Mr. Lancaster:

Q. What is your business?—A. I am manager of the Fairchild Company.

Q. What is that?—A. An agricultural implement company.

Q. Wholesale?—A. Yes.

Q. Does it manufacture agricultural implements?—A. It acts as manufacturers' agent.

Q. As a middleman between the manufacturer and the consumer?—A. Yes, sir.

Q. Where is your place of business?—A. Regina, Sask.

Q. You carry a big stock?—A. Yes, sir.

Q. Have you always been in that occupation?—A. No, sir.

Q. What else?—A. I have been in the hardware and lumber business.

Q. Where at?—A. At Pense, Sask.

Q. How long have you lived at the two places together?—A. About five years.

Q. Where did you go from?—A. From Brandon.

Q. In Manitoba?—A. Yes.

Q. How long were you there?—A. I was only in Brandon a short time.

Q. Then for thirty-five years continuously you have lived in Manitoba and near Regina, Saskatchewan?—A. Yes.

Q. Do you know anything about the difference of prices in lumber in either of those parts of the country, any advance in late years?—A. I do. The price of lumber has advanced very materially, has been steadily advancing. I think it was lower in 1904 than it was in 1905 or 1906.

Q. Was it lower in 1903 than in 1904? Has it ever gone down in price during the last ten years?—A. Oh, yes.

Q. And stayed there for a whole season?—A. No, sir.

Q. When did it first take a drop 'then within the last decade, say?—A. Well, in 1904 it took a drop, in the fall of 1904.

Q. What, generally speaking, was the price of ordinary lumber in the fall of 1904 before the drop?—A. I was not dealing in lumber at that time, but I was a member of the association.

Q. Let us get what the drop was from what was the price generally?—A. The price was about \$21 delivered.

Q. What was it after the drop?—A. I paid from \$16 to \$18 delivered.

Q. That would be about 25 per cent, almost \$5 a thousand of a drop?—A. Yes.

Q. Was there any special reason for you being lucky enough to get that price?—A. About the time that William Whyte issued that circular and had it posted at the station.

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Q. Is that Whyte of the Canadian Pacific Railway?—A. Yes, the vice-president of the Canadian Pacific Railway. There was a slump in the market.

Q. Was that the cause of the reduction in the price?—A. I do not know.

Q. How long did that reduction continue?—A. Until about 1905; in the spring of 1905.

Q. Did anything particular happen to cause that rise?—A. Well, I presume there was a slight increase in 1905 in the cost of production, caused by the increase of prices for supplies. That would go to affect the cost of production.

Q. To what extent of that amount?—A. I would judge about 10 per cent.

Q. How much was the price increased in 1905?—A. I would have to refer to the list to give it you accurately.

Q. You have no objection to putting the list in?—A. Not at all.

Q. Generally speaking, how does the proportion of increase compare with the additional cost of production? If there was 10 per cent of an increase in production, would the price of lumber increase the same?—A. I should think it would increase more.

Q. How much more?—A. I should judge 20 per cent more.

Q. You mean more than it was before? You do not mean that the one was 30 per cent and the other 10 per cent?—A. I mean that the increased cost of production would be 20 per cent.

Q. And the other?—A. About 20 per cent.

Q. Then about twice as much more?—A. I should judge it was.

Q. Now, coming back to this slump in 1904, do you not know of any other reason except the fact that Mr. Whyte might have issued a circular?—A. Well, I think there was some trouble or disagreement between the Mountain Association and the Western Retail Association.

Q. Falling out, do you mean?—A. Well, some friction between them. I do not know the nature of it.

Q. Do you mean that because they had ceased to agree, the prices fell?—A. Yes, sir.

Q. Were you a member of either association at that time, in 1904, when this slump in prices happened which you indicate?—A. I was a member of the association in 1903, of the Western Retail Lumbermen's Association.

Q. And did you continue to be a member in 1904?—A. Yes.

Q. And therefore you have some knowledge probably of whether it was some disagreement or ceasing to work together, or whatever it might be, that you say caused this slump?—A. I ceased to be a member in the fall of 1904, and did not take any further interest in the lumber business.

Q. Did you cease to be a member before the slump or after?—A. I ceased to be a member before.

Q. How long before?—A. I ceased to be a member about the time.

Q. Then when you ceased to be a member did you know about anything going to happen at that time?—A. No, I did not; I could not state positively.

Q. Had you any difficulty in getting supplies at that time, about the time this slump took place?—A. Not at all.

Q. Was it because there was a glut of lumber in the country?—A. No, sir.

Q. Was it to such an extent easy to get lumber that there was a glut in the market?—A. No, sir.

Q. Do you know either as a member of the association or as an individual of any reason for that slump in price other than what you have indicated?—A. I do not know of any reason whatever.

Q. That is other than the circular of Mr. Whyte and the fact that these two associations ceased to harmonize?—A. That is the only explanation I can give of it.

Q. What, in your knowledge, took place showing this want of harmony; what sort

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of form did it take?—A. Some of the mills were found to be supplying dealers other than association members.

Q. Members of the Western Retail Association?—A. Yes.

Q. What happened then?—A. The Western Retail Association would naturally cut off the mill men for that.

Q. What do you mean by cutting them off?—A. I mean they would complain to them and raise an objection for not living up to the agreement.

Q. That is generally speaking. Now specifically speaking had you any trouble after you quit being a member in getting supplies?—A. No, I could not say I had personally.

Q. Were you subject to complaint. Were any complaints made because for instance they were selling to you who had ceased to be a member?—A. I think not.

Q. When did you start your lumber yard?—A. In May, 1902.

Q. Were you a member at that time?—A. No, sir.

Q. Had you any difficulty in getting supplies then?—A. Yes, lumber was refused to me.

Q. Why?—A. Because I was not a member of the association. I applied for membership and was refused.

Q. What ground did they give for refusing?—A. There was not sufficient lumber sold at that town to warrant the association granting a second agency in that town.

Q. They wanted to secure a monopoly for some particular yard, is that what you mean, or is that too strong an expression, that they wanted to secure a monopoly?—A. I do not think it is too strong.

Q. That is what you mean?—A. That is what I mean.

Q. Were you financially able to do business?—A. Yes.

By Mr. McIntyre (Perth):

Q. By whom were you refused?—A. By the secretary of the association.

By the Chairman:

Q. Who was secretary?—A. Isaac Cockburn.

By Mr. McIntyre (Perth):

Q. By whom were you refused lumber?—A. I bought lumber from J. D. McArthur and two cars were shipped to me and complaints were made by the agent at that point that lumber was being supplied to a member who was outside the association.

By Mr. Lancaster:

Q. The agency of what?—A. The agency of the Western Retail Lumbermen's Association. After that no more lumber was shipped to me from Mr. McArthur.

By the Chairman:

Q. Have you the letter?—A. Yes.

(Letter produced as Exhibit 56.)

WITNESS.—You will see by this that the gentleman was asking for a commission on the cars that were already shipped.

By the Chairman:

Q. This is addressed to Mr. John M. Chisholm. Who is Mr. John M. Chisholm?—A. He was manager of J. D. McArthur.

Mr. LANCASTER.—It is practically McArthur, Limited.

By Mr. Fowler:

Q. You notice that the letter shows that the gentleman was demanding commission?—A. Yes.

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By Mr. Lancaster

Q. Had they any doubt about you being financially able to pay?—A. None whatever.

Q. Have you paid for lumber from them before?—A. This was the first transaction, but I was well known and my financial condition was well known.

Q. There was no suggestion at any other time that you might not be financially able to pay?—A. No, the arrangement was that they were to draw on us.

By the Chairman:

Q. Have you the letter showing why you were refused membership?—A. Yes. It reads:—

EXHIBIT No. 56.

‘22nd November. Dear Mr. Wilkinson,—I only submitted your application for a certain yard at Pense to the executive committee at the meeting recently held, and from the evidence produced it was decided that the demand for lumber has not yet reached the requirements of a second yard at that point.’

By Mr. Lancaster:

Q. What is the date of that letter?—A. November 22, 1902.

Q. What did you do after that?—A. I applied to the agent of the Canadian Pacific Railway for a statement of the number of cars that had been sold at that point during the previous twelve months and here is the letter from the agent showing the permission was granted to give me that information.

Q. What was the information you asked for? Did you obtain it?—A. Yes.

Q. What was it?—A. That 58 cars of lumber had been sold at that point.

By the Chairman :

Q. You knowing the business of that locality, were willing to go in there and invest your money and take your chance on the business you could do?—A. Yes, sir.

By Mr. Lancaster :

Q. And you were not able to get this lumber?—A. No.

By Mr. McIntyre (Perth):

Q. You have shown as evidence a refusal of membership? Have you anything more to produce as showing the refusal to give you lumber?—A. Yes, sir, I can.

By Mr. Lancaster:

Q. Did you get that lumber mentioned in that other letter?—A. No, I did not get it from J. D. McArthur, it was never shipped.

Q. Did you ask why they did not ship it?—A. They wrote and told me that they had not shipped it. I have not any further correspondence from them.

Q. What Mr. McIntyre is asking, is whether you have a letter from the other people refusing you lumber?—A. I have a letter here from the Harrison River mill.

Q. Did these people refuse?—A. This is another. I might say that these are old letters that have been dug up, that have not been destroyed.

Q. You do not pretend you have all your correspondence?—A. I probably have not the twentieth part. These are letters which happened to be in my possession which were not destroyed. I have been out of the lumber business for some time, and I can make it clear to the committee why I am here.

By the Chairman:

Q. And that was because you were not a member and because a complaint had been sent in from that point?—A. This is

EXHIBIT No. 57

from the Harrison River Mills and Trading Company:—

‘I am very sorry to hear that you have failed in getting membership. No doubt it will come in due time. You will likely be able to get some lumber outside the association, but I fancy most of the mills belong to it. However, I only wish you the best kind of success in your new venture, and hope the day is not far distant when we will be able to sell you lumber. We would be only too glad to do it now if we could.’

Q. Did you apply more than once for membership to this western association?—A. Yes.

Q. How long between the two applications?—A. Since I found that there had been a sufficient quantity of lumber sold at that point to warrant another yard according to the regulations of the association.

Q. And did you find that according to the regulations there was room for another yard?—A. I did but it was not granted.

Q. What reason was given the second time?—A. That letter there is a reply. They did not consider it was sufficient.

Q. Any suggestion that you were not financially able?—A. No.

By Mr. Lancaster:

Q. Who else did you apply to at that time?—A. I would not like to swear positively the names of other mills but there were others.

Q. With the same result?—A. With the same result.

Q. Practically refusing because you were not a member of the association?—A. They all refused.

Q. Now this was about the time that this slump in prices took place?—A. No, it was after that that lumber came down.

Q. This was before the slump?—A. This was in 1902.

Q. Did you not go into the lumber business at that time?—A. I did.

Q. How did you get stock?—A. I went to the trouble and expense of sending a man to British Columbia. He went all through British Columbia at my expense to purchase lumber from independent mills.

By Mr. Sloan:

Q. What year was this?—A. This was in 1903, January I think.

By Mr. Lancaster:

Q. Well he went there and bought lumber from independent mills?—A. Yes.

Q. How long did that way last?—A. It lasted until March, 1903.

Q. Well, did you still continue then?—A. Well, I made it so interesting for the Western Retail Association that they were very glad to let me in.

By Mr. Sloan:

Q. How did you do that?—A. I went to British Columbia and bought all the material that a certain mill had in their yard and bought an additional 300,000 feet and contracted with them to give my orders preference for any additional amount I would want for that season.

Q. Making them agree with you as it were to protect you against this other boycott?—A. Yes. The association had gone for me; their agent had told me that it was impossible for me to do business and that I was only making trouble for myself.

Q. That is the agent at Pense?—A. Yes.

Q. What is his name?—A. S. G. Marling.

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By the Chairman :

Q. You knew at that time that this was the custom prevailing. Unless a man belonged to the association it was impossible for him to do business ?—A. Yes.

By Mr. Lancaster :

Q. Did you buy sash and doors from British Columbia ?—A. The first consignment of sash and doors I bought from Brandon. I only got one consignment. They wrote telling me that complaints had been made by the dealer in my town and that it would be impossible for them to ship any more.

Q. This was before you became a member ?—A. Yes.

By the Chairman :

Q. When you finally joined the association you paid a fee ?—A. Yes.

Q. How much ?—A. I am not sure, I think it was \$20.

By Mr. Lancaster :

Q. You offered to pay fees at the time you applied ?—A. I sent them a cheque.

Q. Was it returned to you ?—A. Yes.

Q. Now after you got into the association had you any difficulty in getting lumber then ?—A. No, sir.

Q. Then you got it easily, without sending to British Columbia ?—A. I had about half a dozen travellers a week calling on me.

Q. You remained in that association until 1904 and left it at the time of the slump in prices ?—A. Yes.

Q. Now tell us can you give us the reason of that slump. I would like something specific, anything that you know ?—A. Well, I have no explanation to give; I do not know.

Q. You simply know the fact that lumber was cheaper or that the association seemed to be in harmony and that prices dropped \$5 a thousand ?—A. I know that the prices dropped.

Q. I think you told us from \$21 to \$16 ?—A. Yes. I bought lumber for \$16.

By Mr. Schaffner :

Q. You mean to say that in 1905, lumber went down \$5 a thousand?

By Mr. Fowler :

Q. You were speaking about a reduction, was that a general reduction of all grades —A. Well, you see I was not buying all grades of lumber at that time.

Q. It would be on the grades that you were buying ?—A. Yes.

By Mr. Schaffner :

Q. I understand the common lumber went down \$5 a thousand ?—A. Oh, no.

By Mr. Sloan :

Q. Would the consumer get the benefit out of that drop ?—A. No, sir.

Q. The retailer keeps up the price ?—A. Yes.

By Mr. Lancaster :

Q. Before you became a member of the association did any travellers call on you ?—No.

Q. And after you joined ?—A. Well, I should say from about three to ten travellers a week?

Q. Since you became a member of the association ?—A. Yes.

Q. And none before ?—A. No, sir.

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By Mr. Sloan:

Q. After you had joined the association would you have made any complaint to the association if the same people had sold to a third man?—A. Yes, I would.

By Mr. Lancaster:

Q. Was a commission appointed to investigate prices about that time?—A. I don't know.

The committee adjourned.

THURSDAY, March 21, 1907.

The committee met at 11 a.m., Mr. Greenway, chairman, presiding.

The examination of Mr. T. Wilkinson, of Regina, resumed.

By Mr. McIntyre (Strathcona):

Q. What year did you become a member of the association?—A. In March, 1903.

Q. During your experience were there any other applications to establish yards in this town of yours?—A. At Pense?

Q. Yes?—A. No, sir, I don't think so.

Q. Do you know of any other cases where applications were made and refused?—A. Yes.

Q. Where?—A. At Qu'Appelle Station, Indian Head and Milestone.

By the Chairman:

Q. Who were the parties who were refused in those cases?—A. At Indian Head it was Joseph Glen; at Milestone, Glen Brothers.

By Mr. Strathcona (Strathcona):

Q. Were these people prevented entirely from entering the business?—A. They were prevented, yes, at that time.

Q. Entirely?—A. As far as the association was concerned.

Q. They were not as fortunate as you in that particular?—A. I would like to say in that connection that those people got part of the output of the mill which I controlled which enabled them to stock their yards.

Q. What was your attitude towards these people during the time of your membership in the association?—A. Towards which people?

Q. These applicants for membership?—A. I tried to work in conjunction with them in order to secure membership.

Q. Were you then a member?—A. No, sir.

The CHAIRMAN.—He says he sold part of the output of a mill.

By Mr. McIntyre (Strathcona):

Q. Would you have objected if anyone had attempted to establish another yard in the town of Pense?—A. No, sir; I would not have objected if anyone had started a second yard. I found that according to the rules of the association only one yard was allowed at a point where there was not more than sixty cars of lumber sold in one year. I found that the dealer there had restricted his business and had kept it within the sixty car limit, preferring to sell that amount of lumber.

By the Chairman:

Q. Rather than to have competition?—A. Rather than to have competition.

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By Mr. McIntyre (Strathcona):

Q. You say you know this to be a rule. What was your source of information that it was a rule?—A. The secretary of the association.

By Mr. Schaffner:

Q. The man you refer to had restricted his business and refused to sell lumber beyond a certain amount?—A. He would allow his stock to run down, you see, and would not get in a supply sufficient for the demand. He might give as a reason for that, car shortage or insufficient supplies from the mills or any reason that might suit his convenience.

By Mr. Lancaster:

Q. Do you mean to say he would tell his customers that he could not get lumber when he could get it?—A. That is the idea, sir.

By Mr. McIntyre (Strathcona):

Q. This question of exhausting the stock of lumber must eventually cure itself. He might adopt the plan that you have outlined for one season but would that be possible the next season?—A. Yes, sir.

Q. Explain how?—A. Because there was no chance of a competitor coming in, because he could not get a stock.

By Mr. Sloan:

Q. Where would the farmers have to go for lumber, to Regina?—A. Yes, or do without.

Q. When you opened up business did this man who was a competitor of yours put in better stock?—A. He did, yes. He kept a superior grade of lumber and a better assorted stock.

Q. About how many cars per year did you turn over in Pense after you opened up there?—A. We sold the following year between fifty and sixty cars.

Q. And after you joined the association?—A. I don't know that there was very much difference; about 1,000,000 feet a year. That would be 2,000,000 feet at that time when there were two yards.

By the Chairman:

Q. You nearly doubled the output of that town after you went into the business?—A. Yes, more than doubled it.

By Mr. Sloan:

Q. How many yards are there in that town now?—A. Two yards.

By Mr. Schaffner:

Q. You told us yesterday, if I understood rightly, you practically compelled the association to take you as a member?—A. Yes, sir.

Q. And as I understand you did it by getting control of a mill?—A. Yes, sir, a certain amount of material.

Q. Was this mill not in the association?—A. It was a Mountain mill.

Q. It was not in the association?—A. Not in the association.

Q. Were there other mills not in the association?—A. Yes, sir. I would like to explain that I purchased lumber from mills who are in the association in this way: for instance I went to the Kootenay River Lumber Company and asked them to sell me lumber, which was refused. 'Well,' I said, 'gentlemen, I have got the money to pay for it.' They said: 'We would like to have your business, but the rules of the association forbid us to sell to you. What we will do though, we will sell to the Kootenay Wire Works.' My first cousin, J. H. Wilkinson, the proprietor of the Kootenay Wire

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Works, was living in Nelson where this mill was. They said: 'Now, we will sell this lumber to Mr. Wilkinson and deliver the car here and he can ship it to you.' He will settle with us for the lumber and you can settle with him.'

By Mr. Sloan:

Q. Have you got the shipping bill?—A. Yes, and the cost of the material is figured down there, the laid down price and the profit. From that you can see what the different grades of lumber cost, and there is a letter from the Kootenay Wire Works.

By Mr. Schaffner:

Q. Then there were at least some mills that were not in the association?—A. Yes.

Q. From which lumber could be bought by anybody?—A. Yes.

Q. Does that condition exist to-day?—A. It does. Yes, there are some mills outside of the association from which lumber can be bought to-day.

By the Chairman:

Q. Why don't they go there and buy then?—A. Because a man running a well-stocked yard it is impossible for him to get a full stock of lumber. It was at that time, and I have every reason to believe that the condition prevails at present. There are certain grades of lumber you cannot get only from certain mills. For instance, edged grained flooring must be got from the Coast. You cannot buy it from the Mountain mills—you cannot get the same quality—and these mills favour those belonging to the association.

Q. And you can buy from the mills not in the association cheaper than from those that are in the association?—A. Of course, I did not have the association price list—at that time they were not available—but I could buy lumber and sell it cheaper than it was being sold by the association yards and make a good profit.

By Mr. Sloan:

Q. There is here a letter written by Mr. Holmes. Who is Mr. Holmes?—A. A cousin of mine; is one of the partners in the Kootenay Wire Works.

Q. Are they in the lumber business at all?—A. In no sense.

Q. The letter says: 'Let me hear from you at once about the turnings and brackets. We can get them out now; we are slack'?—A. They make turnings, and they have a mattress factory there and a turning lath.

Q. They are evidently in the lumber business?—A. No, sir; not at all.

Q. There is grill work and turning. There must be more or less of a retail business of some kind?—A. They just manufacture these articles for their own use in connection with their business in manufacturing wirework.

Q. In the manufacture of this wirework, they would be customers of the mills for a certain line of goods, would they not?—A. They might for a small amount of stock, for anything I know.

By Mr. McIntyre (Strathcona):

Q. How long is it since you went out of the lumber retail business?—A. In December, 1904.

Q. Do you know anything of the conditions that obtain there now? Do you know anything of the conditions regarding the sale of lumber to a retailer?—A. Yes, sir.

Q. Can a beginner establish a yard without difficulty?—A. No, sir.

Q. He has the same difficulty yet?—A. I believe so, yes.

Q. Up to the present date?—A. Up to the present date.

By Mr. Sloan:

Q. Have you any knowledge of that?—A. Yes, sir, as a member of the Board of Works Committee of the city of Regina. The city wished to purchase about 300,000

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feet of plank for sidewalks, and it was thought that the prices being asked for lumber were excessive. While the board felt that they would prefer to purchase from local dealers at a fair profit, say \$4 net profit a thousand, yet, in their opinion, the dealers were asking altogether too much, and prices were asked from different mills, but they were not able to procure the lumber.

Q. The mills would not sell to the corporation?—A. No.

By Mr. Schaffner:

Q. They were not dealers, you see?—A. No, sir.

Q. They claim that they only sell to dealers?—A. Yes.

By Mr. Sloan:

Q. You have seen the price lists of the mills lately?—A. Yes, sir.

Q. What do you suppose the retailers were getting as a profit on their lumber?—

A. I should judge they were getting from \$8 to \$12 a thousand profit.

Q. That would net them probably 50 per cent?—A. It might, yes. I would say they were getting all the way from 30 per cent to 80 per cent.

By Mr. McIntyre (Perth):

Q. At the time you went out of business do you know what the rate of profit charged by the retailer was? Do you remember what profits they had and from what source they came?—A. I can show you by my own invoices.

Q. Let us know what profits you had in the business at that time?—A. Here is an invoice of January 3rd, 1902.

By Mr. Herron:

Q. Before you proceed to that. Did you sell at the same prices as all the other retailers in the community when you were doing business, when you were in the association?—A. Yes, sir, when I was in the association.

Q. They all had equal profits—equal to those you are going to speak of?—A. Yes, sir.

By Mr. Sloan:

Q. Before you joined the association, were your prices in accordance with the prices of the other dealers in Pense?—A. No, they were from \$1 to \$2 a thousand less.

Q. Were you making a pretty good profit then even by selling at less than your competitor was selling?—A. Yes, sir. This is the profit I made. Here is a car of lumber. The material cost me \$9.50, the freight was \$7.65, and unloading from the car and handling, 50 cents a thousand, and there was 50 cents a thousand discount for net cash; leaving the net cost \$17.15 a thousand.

Q. Laid down in your yard?—A. Yes.

By the Chairman:

Q. You sold for how much?—A. Twenty-five dollars a thousand.

By Mr. Sloan:

Q. You were selling at less than the other retailers?—A. One dollar less than the retailers' price.

By Mr. McIntyre (Perth):

Q. What is the date?—A. January 3, 1902.

By Mr. Sloan:

Q. This was a better grade of lumber?—A. It was a much better grade than you could buy at the retail yard.

By the Chairman:

Q. I have a statement of weights here which gives me a little trouble from my knowledge of the business. Do you consider these weights that have been presented to the committee, the average weights of lumber?—A. These weights are altogether too high.

Q. That is my opinion of them?—A. I have weighed out the lumber on the scales to find out.

By Mr. Sloan:

Q. Have you anything there showing your weights at all?—A. In addition to this 45 per cent profit, I also had a profit on the freight. That \$17.15 includes the cost of the lumber and also the cost of the freight—\$7.65. You see, I had 45 per cent on the \$7.65 freight as well as the profit on the material.

By Mr. McIntyre (Perth):

Q. That is a question that has been considerably debated, that forms the actual cost of lumber, whether it does not include all previous charges, freight handling, and everything else?—A. Yes. Here is another car of January 1, 1903.

By Mr. Sloan:

Q. Have you got the weights of any of these shipments there?—A. No, I am sorry to say that I have not. Here is another car shipped on January 1, 1903—16,400 feet, at \$9 a thousand at the mill. This is a 28½-cent rate. The cost at the mill was \$9, the cost of handling 50 cents a thousand, and the freight, \$8.85. You will see that the freight here is a little higher.

Q. The lumber would be heavier?—A. Heavier lumber, and I might say, gentlemen, this stuff cut full measure, this lumber I am quoting the price on, was full measure, measuring twelve inches.

By the Chairman:

Q. It was not the product of mills outside of the association??—A. No, sir. It was not the product of any of the other mills—I bought from an association mill.

By Mr. McIntyre (Perth):

Q. You sold this lumber at what figure?—A. This cost \$18.35 and was sold at \$25. It was an assorted car and the price obtained for the lumber in it was from \$25 to \$60 a thousand.

Q. You were able to cull out better quality?—A. Yes, sir. This was mill run.

Q. This would be a special case?—A. This would be a special case.

By Mr. Sloan:

Q. Under the grading they have now, you would not be able to do the same amount of culling out, would you?—A. Not as they have it now.

Q. What do you say was the amount of lumber in that car?—A. 16,400 feet.

Q. And what was the rate per thousand?—A. Eight dollars and eighty-five cents.

Q. And what was the freight?—A. Twenty-eight and a half cents.

By Mr. Schaffner:

Q. You said a while ago that the Board of Works of Regina were able to buy lumber from the association? You made that statement?—A. No, sir, I said they were unable to.

Q. Could a dealer, who was not a member of the association, as far as you know, buy lumber? In other words would a dealer have to be a member of the association in order to buy lumber from the wholesaler?—A. Yes, to buy from association mills, but there are some other mills he could buy it from.

Q. Any legitimate dealer that did not belong to the association could buy lumber?—A. Oh, no, he could not.

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Q. If he was a dealer?—A. If he was a dealer he could buy.

By the Chairman:

Q. If he was a member of the Western Retail Lumberman's Association?—A. He could buy lumber then wherever he pleased.

By Mr. Schaffner:

Q. There are retailers who are not members of the association?—A. Yes.

Q. Can they buy lumber?—A. Only from certain mills.

Q. I am requested to ask you if that is the case at the present time?—A. Yes, sir.

Q. Is it still the case?—A. Still the case; it was in February.

By the Chairman:

Q. February of this year?—A. February, 1907.

By Mr. Sloan:

Q. Do you know of any case where a regular dealer was refused lumber—I mean a man who had a retail yard but was not a member of the association?—A. Yes, sir. Oh, you mean an individual that was refused lumber?

Q. Yes, a dealer who had a yard but was not a member of the association?—A. I do not.

Q. You do not know of any case like that?—A. No, sir.

Q. You knew that a dealer in a lumber yard was being refused?—A. That is not what I meant to say. I meant to say that a man who does not belong to the association cannot buy lumber from association mills.

By the Chairman:

Q. You think that is the state of things to-day?—A. I think that is the state of things to-day.

By Mr. Sloan:

Q. Do you know of a case of a lumber dealer, having a lumber yard, but not being a member of the Retailer's Association, being refused lumber?—A. No, I do not; not of late.

By the Chairman:

Q. Are there very many of them?—A. No.

Q. Are there very many in the business who are not members?—A. I do not know of a yard except it would be Bashford, of Rosthern; I don't think he belongs to the association at all.

By Mr. Schaffner:

Q. There are a number of independent yards are there not?—A. I presume there would be, I don't know.

Q. Where did they get their lumber?—A. From independent mills, mills that are not in the association.

By Mr. Crocket:

Q. That is British Columbia mills?—A. Yes, sir, Mountain mills.

Q. How many mills are there in British Columbia that are not in the association, do you know?—A. No, I do not know, there are some. There is one at Sparwood, the Sparwood Lumber Company, and there is one at Armstrong, British Columbia.—J. K. Smith. I don't know whether he has joined the association just lately or not, but some few months ago he was not a member of the association.

Q. There are very few in number?—A. Very few.

Q. And you say they are incapable of stocking a lumber yard with a complete

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stock?—A. There are certain grades of lumber it is impossible for them to produce at that price.

Q. So it is necessary for every retail lumber dealer to buy to some extent from the association mills?—A. Yes, and it affects me in this way: A man comes to me and asks me to figure on a bill and he gives me his bill of material. Well, we find that bill includes probably the finishing, that is material that cannot be purchased from any other mills except the Coast mills. He is unable to buy that therefore I cannot figure on that bill and give a price for it. So the purchaser will say to you: 'Your price on the dimension is all right—it is a better price than I can get elsewhere—but here, I have got to go to the other man to get this finished lumber.' There is no reason why the other man could not hold him up for an exorbitant price for this finished lumber. Still the purchaser may say, 'If I have to buy the entire bill from him I may be able to do even better than I could if I bought part from you and part from him.'

By Mr. Lancaster:

Q. Do the members of the association, in any case, buy from these mills that are not in the association?—A. No, sir, the members of the association do not buy any more from them than they can possibly help.

Q. I mean the retailers in the association do not buy all they can from them?—A. I think not. During the time I was in the association as a member, I did not buy a board.

Q. Was it understood you would not?—A. Yes, sir, distinctly.

Q. It was understood you would not buy from those mills that were not in the millmen's association?—A. Yes, sir, that was one of the conditions.

By Mr. Crockett:

Q. You say you did not buy boards from independent mills after you joined the association. That was in pursuance of an understanding among the members?—A. Yes, sir.

By Mr. Sloan:

Q. Practically then this Retail Dealers' Association existed for the purpose of attacking the millmen who bought outside of their association?—A. That is how I understood it.

Q. Have you anything to show that more clearly?—A. I have a circular letter here.

By Mr. Lancaster:

Q. Do the miller's themselves buy up the stock of independent mills?—A. I don't know, but I am of the opinion they do. I have a circular letter here if I can find it. (Produces circular.)

By the Chairman:

Q. This is the Manufacturers' Association?—A. The Lumber Manufacturers' Association, Winnipeg—

Q. (Reads)—

EXHIBIT No. 58.

WESTERN CANADA LUMBER MANUFACTURERS' ASSOCIATION.

WINNIPEG, MAN., February 25, 1904.

Circular No. 1

To Active Members of Western Retail Lumbermen's Association,—

DEAR SIR,—The lumber manufacturers of Western Canada who are honorary members of the Western Retail Lumbermen's Association, met in convention at Winnipeg early this month and discussed the different questions affecting the lumber trade in Manitoba and the Northwest Territories from the manufacturers' point of view.

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It was felt by many of them that in some cases the active members had not been loyal to the association and had bought lumber outside of the honorary members. This state of affairs has been known to apply more particularly to the line yard people operating throughout the territory and is also known to be the case with some individual dealers. The question of abandoning the association and selling to any individual who might wish to purchase lumber, was seriously considered, and it was only upon the most positive assurance of Mr. Cockburn, secretary of the Retail Lumbermen's Association, and the other active members who were in the city, that this course was not pursued. It was finally resolved by the manufacturers to stand firmly behind such active members of the Retail Lumbermen's Association as may be worthy of their support, and for that object the Western Canada Lumber Manufacturers' Association has been formed, with Mr. E. D. Cameron and Mr. D. E. Sprague, of Winnipeg, and Mr. John Hanbury, of Brandon, as executive.

It is the desire of the association that the lumber used in Manitoba and the Northwest Territories shall be supplied by the lumber manufacturers of Western Canada, who are honorary members of your association, and to discourage the importation of inferior American lumber from the United States. It will be your duty to assist this association by furnishing the secretary with any information you may have from time to time as to shipments into your territory by other than the honorary members, giving the name of the shipper, from where shipped, and the name of the person receiving the lumber. It has been decided by the manufacturers that no concession will be given to the line yard companies in the matter of price that will not be given to the individual dealer, and it is also their desire to as far as possible protect the individual dealer against too great an extension of the line yard system. While in the city the manufacturers discussed with the Canadian Pacific Railway Company the question of a reduction of freight from the Mountains and the Pacific coast, and it was agreed by them that if the railway company would make a reduction of two cents per hundred pounds that they would reduce the delivered price to the active members \$1 per thousand; this reduction would be made on the distinct understanding that the consumer would get the full benefit of the reduction.

We have not as yet received a definite reply from the Canadian Pacific Railway Company as to what action will be taken but you will be advised in due course.

In the meantime the honorary members will insist on your living closely by the by-laws and regulations of the Retail Lumbermen's Association, and stand prepared to deal with each individual case of violation in a way that the circumstances may warrant.

We wish to impress on you the importance of attending the annual meeting of the Western Retail Lumbermen's Association, to be held in Winnipeg on the 23rd March, as several matters of importance will be up for discussion.

Yours truly,

WESTERN CANADA LUMBER MANUFACTURERS' ASSOCIATION,

Per J. A. Thompson, Secretary.

By Mr. Sloan:

Q. This is practically the Western Retail Dealers Association?—A. That was sent to me from Winnipeg.

Q. By the association to you?—A. By the secretary, yes.

Q. It is claimed that this Western Canada Lumber Manufacturers Association is the same as the Western Retail Lumber Association?—A. I am of opinion it was.

Q. You claim this is one and the same?—A. You will see that was sent to me from Winnipeg, from that office.

By the Chairman:

Q. You got it as a member of the association?—A. As a member of the association.

By Mr. Sloan:

Q. Have you a copy of the bylaws?—A. No, sir, I have not. I have a receipt here for my dues which will show you I was a member of the association if you like to see it.

Q. Do they not supply you with a copy of their by-laws?—A. I presume they did, but I had no object in view in preserving it.

Q. Referring to the line yard people—will you explain for the benefit of the committee what line yard is?—A. A line yard would mean a yard that was working under the supervision of a head office.

By the Chairman:

Q. Does it not mean a number of yards?—A. A number of yards. We will take the Regina Lumber and Supply Company, for instance. They established yards at Balgonie, Drinkwater and other points—perhaps a dozen yards.

Q. A number of yards under one control?—A. Yes, sir.

By Mr. Herron:

Q. Guided by the rules of the association?—A. Yes, sir.

By Mr. Schaffner:

Q. Do you know of a Lumber company called the Independent Lumber Co.?—A. I do.

Q. Have they more than one yard?—A. Yes.

Q. A number of yards?—A. A number of yards.

Q. Can they buy from any of the mills in the Mountain Association?—A. I don't know—they buy through the association mills.

Q. They buy from the association mills?—A. They buy from the association mills.

Q. If they can buy from one I presume they can buy from any?—A. Yes sir, I presume they can.

Q. They can go to the Coast and buy lumber?—A. Yes.

By Mr. Lancaster:

Q. As for the statement in the letter just read that a reduction of 2 cents per hundred pounds in the freight rate would reduce the price \$1.00 per thousand, what did you say about that? Is that the natural result?—A. If the rate were reduced 2 cents?

The CHAIRMAN.—If there was a reduction of 2 cents per hundred weight what would that be?

By Mr. Lancaster:

Q. Do you realize what the weight would be to make that?—A. About 2,000 pounds.

By the Chairman:

Q. This lumber you refer to there would be from Rat Portage and Rainy River?—A. No, there is no Ontario lumber used in that country at all.

The CHAIRMAN.—I am speaking of the lumber these gentlemen are talking about to you: it is not Coast lumber.

By Mr. Lancaster:

Q. It struck me as something requiring explanation. It did not occur to you that the freight rate being reduced 2 cents a hundred would not amount to a dollar a thousand?

The CHAIRMAN.—Not on Coast lumber.

A. Well, as far as I know.

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Q. How much would the stuff weigh?—A. The dry stuff would average from 2,000 to 2,500 pounds.

Q. Would it not have to weigh 5,000 pounds to make the amount spoken of?—A. To make that dollar a thousand difference it would have to.

Q. That is what I am saying: that there is something wrong there or else there is an extra 50 cents taken on the estimate. I should have thought it would be about half that much, because I do not see how it can weigh 50,000 pounds, and it would have to in order to make one reduction follow the other?—A. As far as I know there was no reduction in the freight rate, and consequently there was no reduction in price.

Q. I am saying that if you are seeking a reason for charging \$1 a thousand more or less, there is something else required to bring that result than a mere reduction at 2 cents per hundred weight?—A. Judging from that.

Q. Because 2 cents per hundred weight would not amount to more than half of that. It would not amount to \$1 per thousand?—A. Well, I don't understand how they figure that?

Mr. WELLS.—I can explain that if you would let me?

The CHAIRMAN.—You had better do so.

Mr. WELLS.—The proposition was that the railway company would reduce the freight rates 2 cents per hundred, and that the mills would reduce the price of lumber 50 cents per thousand; consequently the dollar would be made up by a lessening of the freight rates and the 50 cents deducted by the lumbermen.

The CHAIRMAN.—That is not what the letter says.

The WITNESS.—That is a reasonable explanation.

Mr. LANCASTER.—That clears it up. As I suggested there was something else required. Mr. Wells has now stated they were going to share it equally: the freight rate would be half and the reduction in the price of lumber would be made besides, irrespective of the freight rate.

By Mr. Schaffner :

Q. I am requested to ask you if this Independent Lumber Company is a member of the association?—A. If they are a member of the association?

Q. Yes.—A. I cannot answer that any more than I know they are using the price list of the association at the present time. They are selling at the association prices, and using their price list.

Q. You don't know whether they are members or not?—A. I do not.

By the Chairman:

Q. There is one thing that has not been explained, and that is the result of the attempt on the part of the city of Regina to buy a quantity of plank. What was the end of that?—A. The end is not yet, sir. I succeeded in buying through a jobber some material. I now produce the invoice dated February 18, 1907. This is a jobber in Regina who has bought from an independent mill and has sold the lumber at \$24 a thousand and made his profit on it.

Q. For which they ask you how much?—A. For 2 x 12 they are asking \$32 a thousand.

Q. You got the same thing for \$24?—A. Yes, sir.

By Mr. Crocket :

Q. From a jobber?—A. From a jobber.

Q. Who bought from an independent mill?—A. He bought from an independent mill.

By Mr. McIntyre (Perth):

Q. Now you are on the subject of prices again, I would like you to answer a question I asked you half an hour ago—that was in regard to the profit you were get-

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ting on lumber when you went out of business in 1904. You have given us the prices in a couple of cases in 1902 and 1903, but you were interrupted and never reached the time I spoke of, 1904, which was your last experience in the business. The profits you have mentioned are the profits when you were buying from independent companies I think?—A. Yes, I have an invoice of January 5, 1904, I have not figured out the cost on this invoice, but it is \$2 a thousand more.

Q. Than the independent mills charged?—A. This is from an independent mill.

Q. Can you give us any invoices from line mills in 1904, showing the profits you made?—A. No, I do not appear to have any.

Q. Well, then, can you give us an idea of what your profits were irrespective of your invoices?—A. About \$8 a thousand.

By the Chairman :

Q. On common lumber?—A. On common lumber, yes.

By Mr. McIntyre (Perth):

Q. What would that lumber cost you?—A. That would cost me from \$17 to \$18 a thousand.

Q. That would be 45 per cent profit?—A. About 45 per cent.

Q. Were there any other sources of profit?—A. Yes, there might be three per cent of the stuff they might sell for clear lumber.

Q. So you would get 45 per cent irrespective of certain advantages in culling?—A. Yes, sir.

Q. Was that customary as far as you know in the business?—A. It was customary.

Q. Others were getting the same profit?—A. Yes, sir, I believe so.

Q. Then the statement made by others that what they had endeavoured to get was 20 per cent profit is not correct?—A. I never sold lumber at 20 per cent profit.

By the Chairman :

Q. And you evidently sold a lot of it?—A. I sold about 1,000,000 feet a year.

By Mr. Crocket :

Q. This was not as a member of the association?—A. Both before and after, I sold about an equal amount.

By Mr. McIntyre (Perth):

Q. That was your usual profit then the 45 per cent?—A. Well, of course it varied. Sometimes you would get lumber a little cheaper. For instance a traveller would come along and say there was some more special stuff for sale—that he was going to move his yard or something of that kind—and would give me a dollar off the regular price.

By Mr. Lancaster :

Q. Some special advantage?—A. Yes.

By Mr. McIntyre (Perth):

Q. When you got more?—A. Yes, when I would get more, yes.

Q. Did you always get 40 or 45 per cent? You sold some out of the mill run that you got \$60 a thousand for?—A. That would be clear stuff.

Q. But you got 36 per cent apart from that, according to your figures, and you were selling at \$1 below the line yard price?—A. Yes.

By Mr. Lancaster:

Q. I may be stupid, but I do not understand the expression 'line yard;' what is the average man to understand by that?—A. If you were to say association members—

Q. I would be right, would I?—A. Yes.

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By the Chairman:

Q. Does it not mean that you would call a line yard by that name if there were fifteen or twenty yards, no matter whether the owner belonged to the association or not?—A. If he did not belong to the association he would still have a line yard, but I am dealing with the association.

Q. And if he was a member of the association, those would be line yards, too?—A. Those would be line yards, too.

The CHAIRMAN.—An individual may have a number of what we call line yards?

By Mr. Lancaster:

Q. That means one man holding a plurality of yards?—A. Yes.

Q. In regard to what Mr. McIntyre (Perth) was asking you—did you ever sell at not more than 20 per cent?—A. No, sir.

Q. You have never got as low a profit as that?—A. No, sir.

By the Chairman:

Q. Have you any idea if it was the general practice to sell at 20 per cent profit?—A. No, I have not. I only know I was never selling at 20 per cent profit.

By Mr. Lancaster:

Q. Some one suggested early in the investigation that there was a basic price of 20 per cent which the association endeavoured to have adopted. Was there any such basic principle in your association?—A. Not that I am aware of.

Q. There was another similar association to yours—I forget the name of it now—but, at any rate, you know there was no such basic principle in your association?—A. I know of no basic principle.

Q. Did you ever get down to near 20 per cent profit?—A. No, never.

Q. It was nearer 40 per cent always?—A. Always; never less than 30 per cent.

Q. I have here Exhibit No. 59, being bills from Mr. M. Robson, Regina, for T. Wilkinson?—A. Yes, sir.

Q. Do I understand this was lumber you bought as member of the Municipal Board of Works?—A. Yes, sir, I turned that over to the city of Regina.

Q. This was for the municipal corporation?—A. Yes, sir.

Q. And the price charged is \$24 a thousand?—A. Yes, laid down.

Q. Do you know what was asked by the line yards, if that is the right expression, in Regina?—A. \$32 a thousand.

Q. At exactly the same time?—A. Yes, sir.

Q. For the same goods?—A. Yes, sir.

Q. Was there a tender for this particular lumber that was wanted at that time?—A. Well, I don't know as it was put in as a tender.

EXHIBIT No. 59.

REGINA, Feb'y 18, 1907.

MR. THOS. WILKINSON,
Regina.

In account with—

M. ROBSON.

LUMBER, POLES, BRICK, ETC.

Ex. Car 21687. Freight paid.

169	pcs. lumber,	2/12 x 16'	5,408
142	"	2/10 x 16'	3,787
150	"	2/8 x 16'	3,200
8	"	4/4 x 18'	112
53	"	4/4 x 16'	1,131
1	"	4/4 x 14'	18

E.O.E.

13,646' 24 m. \$327 40

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REGINA, February 27, 1907.

Mr. T. WILKINSON, Regina,
In account with—

M. ROBSON,

LUMBER, POLES, BRICK, ETC.

Ex. Car No. 21687. Freight paid.

192 pcs., 2/8 x 20	5,120'
220 pcs., 2/8 x 18	5,280'
84 pcs., 2/8 x 16	2,240'
169 pcs., 2/12 x 16	5,408'
8 pcs., 4/4 x 18	192'
53 pcs., 4/4 x 16	1,130'
1 piece, 4/4 x 14	19'

 20,392' .24 . \$489 40

Q. Were they asked to make an offer for this particular lumber required for this particular work?—A. Yes.

By the Chairman:

Q. I understood you yourself had inquired?—A. I inquired the price, yes, sir.

By Mr. Lancaster:

Q. As a member of the board of works, acting for the municipality?—A. Yes, sir.

Q. In your capacity as a committee man?—A. Yes, sir.

Q. They wanted \$32 and you got it for \$24?—A. Yes, sir.

By Mr. McIntyre (Strathcona):

Q. Do you think that \$32 was the ordinary consumer's price?—A. Yes, sir.

Q. It was not an increased price on account of buying for a municipality?—A. No, that was the regular price.

Q. You know there is such a tendency in selling to public bodies?—A. I know there is, but that was the regular price.

By Mr. Crockett:

Q. I have been requested to ask you if you have read the by-laws of the Western Retail Lumbermen's Association?—A. No doubt I have read them, but it is so long ago that I don't remember; I never paid much attention to them.

Q. Do you remember a condition there in regard to price?—A. Yes, sir; we were to maintain the price, there was a uniform price.

Q. How was that price arrived at?—A. It was arranged by discussion at meetings held from time to time of the various members of the association and executive.

Q. For the different districts?—A. For the different districts—yes, sir. We were in the Regina district.

By the Chairman:

Q. Your rate is the same, is it not, from Regina east?—A. There may be another branch association with a secretary at Brandon.

Q. But their rate would be the same?—A. Their rate would be the same, and their price would be the same.

By Mr. McIntyre (Strathcona):

Q. Did I understand you to say that the prices were arranged in Winnipeg for the different localities?—A. Our prices were arranged in Moosejaw.

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By Mr. Fowler:

Q. The dealers would meet?—A. Yes and the directors.

By Mr. Crocket:

Q. Did the by-laws provide that they should not charge more than 20 per cent profit?—A. Not that I am aware of. I have no recollection of that.

By Mr. Sloan:

Q. You had a car of 16,400 feet figuring out \$8.85 a thousand. I make the weight per thousand a little over 3,000 pounds?—A. Some of that material weighed 2,700 pounds.

Q. I am just taking your actual figures, and I make the weight over 3,000 pounds per thousand?—A. Yes.

Q. Yet you say the weights in this statement filed before the committee are too high. According to your figures, your weights are higher?—A. You see, the material on that invoice was full measure, which would be heavier.

By Mr. Herron:

Q. Was it planed on one side?—A. Yes, sir.

Mr. SLOAN.—I would just make the point that Mr. Wilkinson stated that the weights submitted to the committee were high. Now, as a matter of fact, the lumber he got was over 3,000 pounds.

The CHAIRMAN.—Mr. Wilkinson has explained to you, but you do not appear to understand, that the lumber he obtained was cut full measure. Now it is different.

Mr. SLOAN.—It would not make any appreciable difference.

Mr. HERRON.—It would make a difference of 25 per cent.

By the Chairman:

Q. You have brought some samples have you not?—A. Yes (producing samples, marked Exhibit No. 60.)

By Mr. Sloan:

Q. Was this the kind of stuff that was in that car?—A. Yes, that is the Mountain stuff.

Q. Was the shi lap in the car you spoke of fully 6-inch?—A. The lumber in the car I spoke of was principally boards, I do not think there was any shi lap in it.

The CHAIRMAN.—I have been handed the constitution and by-laws of the Retail Lumberman's Association of February 15, 1907 (exhibiting to the witness).

By Mr. Lancaster:

Q. That is since your time is it?—A. Yes, I have not seen these before.

By Mr. Crocket:

Q. These by-laws have been published since you ceased to be a member of the association?—A. Yes, sir.

Q. They have a section as to the price to be charged. Turn to it and see whether that provision was there when you were a member?—A. I do not see it.

Q. Read section 5.—A. (reads)—

'5. Whereas it is deemed expedient and proper that all members of this association make a price list for the point for which membership has been granted, and that all lumber and timber usually sold in retail lumber yard be charged for at not more than 20 per cent over wholesale cost.'

Q. Are you able to say whether that same provision was in the by-laws when you were a member?—A. No, I am not able to say, but that is not as I understood it when

Q. That is not as you understood it?—A. I have not heard any complaint of a member selling his lumber too high. The complaint I heard was when he cut the price.

By Mr. Lancaster:

Q. The year 1904 was the last year you were a member of the association?—A. Yes.

Q. Was there any special business in Winnipeg at that time that you went to attend, in regard to this matter we are inquiring about?—A. I attended a meeting of directors in Winnipeg in the spring of 1904.

Q. For what purpose?—A. For pressing my claims for membership.

Q. Pressing your claims for membership?—A. Yes, sir.

Q. That was in 1904 you say?—A. Yes, in 1904. In 1904, I was in Winnipeg and there was a complaint made about certain individuals selling lumber bought from an independent source.

Q. Did you make a complaint?—A. No, sir, the complaint was made I think by Mr. Marling.

Q. How were you concerned in it? Was it a complaint against you?—A. Not against me. The condition of affairs was this: Mr. Michaelis, of Victoria, was selling the cut of the Shaganagan Lake and Ladysmith mills to farmers, or any one he could sell to in the district, and was affecting our trade. He was selling at a less price than we were able to sell at—below the association price—and therefore he was cutting into our trade. We asked the association for protection under the by-laws.

Q. Who do you mean by 'We'?—A. Mr. Marling, the other dealer, and I.

Q. You had a joint complaint?—A. We had a joint complaint, yes.

Q. Were you both in the same town?—A. Yes, sir.

Q. And as dealers in that town, you made a complaint?—A. Yes, sir.

Q. Will you go on, please?—A. We met Mr. Cockburn, the secretary, and Mr. Thompson, who was a member of the executive in Winnipeg.

Q. Secretary of what?—A. Of the Western Retail Lumbermen's Association.

Q. That was Mr. Cockburn, was it?—A. Yes, sir.

Q. All right, you met him and Mr. Thompson, you say?—A. Yes, sir.

Q. What did you do?—A. We talked matters over and Mr. Cockburn decided that the proper thing for the association to do was to send a delegate to the Coast, to interview the mills that were supplying Mr. Michaelis, and to try and come to some arrangement whereby the supply would be cut off, or to induce Mr. Michaelis not to ship more lumber. The proposition was to either offer the mill a bonus to cancel the contract with Mr. Michaelis—

Q. To break the contract?—A. Yes, to break the contract, or to pay Mr. Michaelis a certain sum of money to go out of the business.

By Mr. Crocket:

Q. Mr. Michaelis was not a member of the association?—A. No, sir.

By Mr. Lancaster:

Q. Do you mean to tell us that you were going to pay money either to break the contract or to pay money to Michaelis not to interfere?—A. That was the understanding.

Q. That is a fair way of putting it?—A. Yes, sir.

By Mr. Herron:

Q. Were you going to do it?—A. I refused to have anything to do with it.

By Mr. Lancaster:

Q. That is what Mr. Cockburn, secretary of the association, advised?—A. Yes.

Q. We went down to Mr. Sprague's office and it was arranged that Mr. Marling should go. I refused to go myself.

Q. You refused, and Mr. Marling went—

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By Mr. Sloan:

Q. Were his expenses paid by the association?—A. It was understood they were to pay mine if I went.

By Mr. Lancaster:

Q. Who were to supply the funds for this?—A. The Western Retailers' Association.

Q. The funds to pay the bonus to break the contract or to stop Mr. McAllister from selling. You were not to furnish the money yourself for that?—A. It was to come out of the funds of the association.

Q. Had the secretary power to make any such arrangement as that under the by-laws?—A. I don't know—I presume he had.

Q. Any way, assuming that they could do so, Mr. Marling went?—A. Here is a telegram showing he did go.

Q. Do you know what happened?—A. Yes, I know he was unable to do anything with Mr. Michaelis at any rate.

By the Chairman:

Q. They could not buy him off?—A. No, sir.

By Mr. Lancaster:

Q. He could not get him to drop his contract?—A. No, sir.

Q. Well, did he try the other proposition? It was suggested that a bonus should be given to the mills not to sell to this man?—A. I have a letter here which I will submit as evidence.

By Mr. Sloan:

Q. Where does Mr. Michaelis live?—A. He lives—I can give you his address. I believe he has sailed for Germany just a few days ago.

Q. We will bring him back.—A. He will be back—his address is 178 St. George street, Toronto.

By Mr. Lancaster:

Q. Before you read that letter, will you tell me this: How was this complaint being made? Simply by you and Mr. Marling as the local dealers?—A. Yes, sir.

Q. Were the rest of the association backing you up in it? Who was being hurt by what Mr. Michaelis was doing?—A. The local dealers, Mr. Marling and myself.

Q. Was it only in your own town?—A. No, but I think they were affected more in our own town than at any other point.

Q. Was Mr. Michaelis' practice affecting others besides you or only you?—A. I think it might affect Regina.

Q. But it affected you most?—A. Yes.

Q. Did you go to Winnipeg at your own expense?—A. I happened to be in Winnipeg on business; I did not go to Winnipeg for that purpose.

Q. But Marling went at his own expense?—A. I don't know, I would think so.

Q. Was it a matter that the rest of the association were interested in in any other way than to back you up? Were they hurt personally? or were they only backing you up for fraternity's sake?—A. They would be backing me up for fraternity's sake.

Q. As a matter of fraternity?—A. Yes, sir.

Q. What authority would Cockburn have for making this adjustment?—A. He was secretary of the association, I suppose he would be a director as well.

Q. And did the directors apply to you in regard to this?—A. Mr. Marling asked me to go down to the office with him and we met Mr. J. A. Thompson there.

Q. Did they assume the directors would carry out what they did, or endorse what they did?—A. Yes, we were looking to the association to protect us, do you see?

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Q. And in the absence of a director's meeting, the secretary is the association?
—A. Well, he deals with matters of importance that need attention.

By Mr. McIntyre (Strathcona):

Q. Did they suggest to you to go and do this, guaranteeing the payment of any expenses?—A. They did.

Q. Did they ask you to go and pay a certain bonus to these men and they would put up the amount of the bonus?—A. The object was for us to make the best arrangement we could. I believe that the price that was suggested was \$2 a thousand on the unfilled portion of the contract.

Q. How much was that?—A. I have not any idea.

Q. Would it be a million feet?—A. I should judge it would.

Q. Did you expect, or were you guaranteed, that this association would put up \$1,000?—A. Was I guaranteed that? No, I cannot say I had any guarantee of any specific amount.

Q. You were to make the best arrangement you could?—A. To make the best arrangement we could.

Q. Supposing it cost \$5,000, were you empowered to draw on the Retailer's Association for that? A. I am not prepared to say that either, because I did not go, I refused to enter into the negotiations.

By Mr. Lancaster:

Q. Of course you would never get to that point, until you found out what deal you could make with Mr. Michaelis or the mill men?—A. No.

Q. Therefore you were never in a position where the money was going to be paid, if a deal was made?—A. No.

Q. Mr. Marling went there with the feeling that whatever bargain he made the association would raise the money for?—A. They would stand by it.

Q. Had the like been done before in your association? Had Mr. Marling knowledge that such a thing would be done if a bargain was made, or was this the first time this sort of business was attempted?—A. As far as I know it was the first time.

Mr. LANCASTER.—As far as you know it was the first time?

By Mr. Crocket:

Q. This protest against the mills selling to Michaelis failed did it?—A. Yes, Mr. Michaelis, as I understood it, had a hard and fast contract with them and held them to it.

Q. Was the proposition made to the mill men that your association would indemnify them against any damages for a breach of the contract?—A. I don't know whether it was made or not, but I know it was understood that we would make it.

Q. It was understood that would be submitted to them?—A. Yes.

By Mr. Lancaster:

Q. I understand there were two alternative propositions; Marling was to pay Michaelis if he would drop his contract, and failing that he was to interview the mills and see what they would take to break the contract?—A. Yes, sir.

Q. You do not know whether he saw the mills or not?—A. He saw the mills. Mr. Marling's statement was that he saw the mills.

Q. And failed?—A. Yes.

Q. You have told us that Mr. Michaelis would not drop his contract: he thought it was too good a thing?—A. Yes, sir.

By Mr. Crocket:

Q. Were the mills selling to Michaelis as they were selling to you?—A. I don't know; I don't know what he paid.

Q. At any rate the mills continued to sell to Michaelis?—A. Yes.

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By Mr. Lancaster:

Q. What difference in price were you and the other men complaining about? I mean what was the difference in price between what the retailers were selling at and what Michaelis was selling at?—A. Michaelis was selling to the consumer at about \$2 a thousand less price than we were selling at.

Q. And he insisted upon keeping his contract, so that he could continue to do that?—A. Yes.

Q. Could he do it at a fair profit?—A. I presume so.

Q. You people were complaining of what he did and wanted protection?—A. Wanted protection.

Q. Because he was cutting the price too low?—A. It might not be cutting our price too low but cutting lower than the association members were bound to maintain.

Q. In other words the association price was giving you \$2 more than he was selling for? He was selling at that much less than you were? Was he making a profit?—A. There is no doubt he was making a profit! He was too good a business man not to.

By Mr. Crocket:

Q. You do not know whether he had a better rate with the mill men than you had?—A. I don't know what he was buying at.

By Mr. McIntyre (Strathcona):

Q. In regard to this suggestion of sending a delegate to Michaelis and the mills, was it ever proposed to send a responsible officer of the Retailer's Association?—A. A delegation was to meet with the Coast association directors. If you would allow me to read two letters, you might be able to understand it. Here is a letter dated January 16, 1904, from the Canadian Pacific Lumber Company, addressed to myself. (Reads):

EXHIBIT No 61.

THE CANADIAN PACIFIC LUMBER COMPANY, LIMITED.

PORT MOODY, B.C., January 16, 1904.

MR. THOS. WILKINSON,
Pense.

DEAR SIR,—In regard to Michaelis, our committee composed of Mr. Heaps, our Mr. T. F. Paterson, and Mr. Palmer of the Chemainus mill, interviewed the parties who are supplying him, and they promised to quit as soon as the present bills were filled.

We trust that this will adjust the matter and that you will see your way clear to take the material ordered.

, Yours truly,
THE CANADIAN PACIFIC LUMBER COMPANY, LTD.

Per D. ROE.

You will understand I had orders then that were not filled, and we were asking for the protection of the association and using this as a lever, in order to press our claims with the Western Retail Lumbermen's Association for protection. Here is another letter dated Fort Moody, March 2, addressed to myself. (Reads):—

EXHIBIT No 62.

CANADIAN PACIFIC LUMBER CO., LTD.,

PORT MOODY, B.C., March 2, 1904.

MR. THOS. WILKINSON,
Pense, Assa.

DEAR SIR,—Yours of the 25th instant received. Mr. Roe is away, but we know he intends that you shall be protected but he wanted it arranged from the other end.

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Accept our draft, and we promise that any arrangement made by Mr. Thompson as a fair one will be accepted by us.

Yours truly,

THE CANADIAN PACIFIC LUMBER CO., LTD.,

Per K. ABERNATHY.

By Mr. McIntyre (Strathcona):

Q. Who is Mr. Thompson?—A. Mr. Thompson was one of the directors or officers of the Western Retail Lumbermen's Association.

Q. My question comes opportunely now: Why was not a responsible officer of the Western Lumbermen's Association sent, instead of two ordinary men, as they proposed to send?—A. I cannot answer that.

Q. Do you not think that if the association wished to carry out such an arrangement one of their head officers would be the man?—A. Well, it might and it might not. Because there were responsible officers of the association at both ends, and it would look to me to be unnecessary expenditure to send an officer from Winnipeg when there was already a responsible officer at the other end.

Q. Was the suggestion ever made to send Cockburn, the secretary?—A. Not that I am aware of.

By Mr. Crocket:

Q. Have you any correspondence of Cockburn's in regard to this matter?—A. I don't think I have.

Q. You have none with him?—A. I have not any. Most of my papers were destroyed. I had not thought that I would ever be required to use any of these papers, and when I moved from Pense to Regina most of my old papers were destroyed. These papers that I have produced were found among some old books and cancelled cheque books that I picked up after I got the subpoena to come here, and it is just by chance that I happened to have this correspondence. I would like to say that Mr. Thompson wired me to know if Mr. Marling had gone to the Coast. I tried to get a copy of this wire, and here is the reply from the agent, dated 2nd February, 1907, in which he tells me that the old copies of telegrams had been destroyed. They destroy them every six months. Here is my reply to Mr. Thompson's telegram (reads):—

EXHIBIT No 63.

PENSE, February 24, 1904.

J. A. THOMPSON,
Winnipeg.

Marling went through here last Sunday, twenty-first, for Coast.

(Signed) T. WILKINSON.

The agent's reply is (reads):—

T. WILKINSON.

Telegraph copies were all destroyed last fall to end of 1905. Sorry cannot accommodate you.

(Signed) B. J. HAMSON,
Agent.

PENSE, 2/07.

By Mr. Lancaster:

Q. Where is that sent from?—A. From Pense.

Q. Does he not live in Pense?—A. Yes, but he was in Winnipeg and he went through, you understand.

Q. Is Mr. Marling here? Is he subpoenaed at this investigation?—A. He was in Vancouver. I met him a short time ago, and he was going south.

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Q. You seem to have full knowledge of this affair. What happened next?—A. Mr. Marling sold his output and went out of business.

Q. Why did he go out?—A. I suppose he did not wish to continue in business any longer.

By Mr. Sloan :

Q. Did he make a pretty good thing out of it?—A. I don't know what he made; I have no doubt he did.

Q. You are speaking of Mr. Marling?—A. He continued in business until he sold out, retired and has gone to the Coast.

Q. He has made enough money to retire, out of lumber in the Northwest?—A. Yes.

By Mr. Lancaster :

Q. He continued in business after you did?—A. Continued after I did.

Q. And how long did Michaelis keep up this opposition? You failed to get rid of his opposition, how long did he go on afterwards? Did he continue to undersell you, did he continue to sell at a couple of dollars less than you did?—A. Yes.

Q. For how long—A. After I left?

Q. After you failed to get Michaelis bought off how long did he continue his opposition that you and Marling had complained off?—A. I don't know—months after, I should say.

Q. He continued to sell at \$2 a thousand less than you and Marling?—A. He was selling direct to the consumer in car lots, he had no yard at that time.

Q. Then the regular retail business you and Marling still got?—A. Yes.

Q. Because if the consumer did not buy a car lot from Michaelis he had to deal with you?—A. He had to deal with us.

Q. Where did he do this?—A. Michaelis was living at the Coast, at Vancouver.

Q. Had he no agent at Pense?—A. He had a brother-in-law living at Pense, who looked after the trade.

Q. Was there no other reason why he would not ship in small quantities, rather than by car lots, other than the inconvenience because he had no yard?—A. Not that I am aware of.

Q. He was not restricted in buying except in car lots by any arrangement of the millers?—A. I do not know that.

Q. He was buying from independent mill men and they would not stipulate that he should buy a whole carload?—A. He must have bought some million feet of lumber from those two mills at a certain price.

Q. They would not stipulate that he must not cut up the car lots?—A. He could do as he pleased as far as I know.

Q. And the only reason that he did not cut into less than car lots was—A. Because it did not suit his convenience.

By Mr. McIntyre (Strathcona):

Q. How much money did you make in the business?—A. I made about \$3,000 last year.

Q. Clear of all expenses?—A. Yes, sir.

By Mr. Fowler :

Q. Made out of the sale of how much lumber?—A. Something over a million feet.

By Mr. McIntyre (Strathcona):

Q. Each year you were in business?—A. Yes, sir.

Q. You bet I made money.

By Mr. Crocket :

Q. Were you and Marling the only dealers at Pense?—A. Yes.

Q. Did Marling sell out to a firm or party who became a member of the association?—A. Yes.

By Mr. Fowler :

Q. Is the financial experience you speak of the same as that of all dealers you know?—A. They are all making money as far as I know.

Q. Did you get the ordinary prices?—A. Yes, in some cases I sold at a dollar a thousand less before I was a member of the association.

Q. But you were not making \$8,000 a year when you were not a member of the association?—A. No, of course I did not make as much money because I did not handle as much material; I could not get the finer grades that the larger profits are made on.

Q. The biggest profits are on the fine grades?—A. On the fine grades, yes.

Q. You were not making any bigger profit than any of the other dealers?—A. I don't think so.

Q. That would be a good business to stay in, that is better than being a member of parliament?—A. I will tell you, if you wish to ask me that question why I left. I was running a hardware business as well and I got a chance to sell out at about 110 cents on the dollar, and I had \$37,000 on my books, so I thought it was a pretty good time to clean up.

Q. Would you lose much of that \$37,000 you had in your books?—A. I would not lose 5 per cent, I doubt if I would lose 3 per cent.

Q. Those are all good accounts?—A. Yes, sir.

Q. Is that the experience of the other dealers? Do they have much loss in your district?—A. No, sir, not in our district.

By Mr. Lancaster:

Q. Your books would relate to hardware and lumber?—A. Both.

Q. In what proportion?—A. That would be impossible to say.

By Mr. McIntyre (Strathcona):

Q. Was this \$8,000 gained entirely out of the lumber business? Did you keep your businesses separate?—A. I tried to keep them separate.

Q. Was that your gain per annum on any particular line of business?—A. I figured that on the lumber end of the business.

By Mr. Lancaster:

Q. What capital had you invested?—A. I put about \$8,000 into the business.

Q. And you made 100 per cent per year out of your capital?—A. That is about what I made.

By Mr. Fowler:

Q. I do not want to be impertinent or ask questions about your private business—you do not need to disclose it if you have any objection—but which of these two businesses was the best from point of profit—the lumber or the hardware?—A. The lumber business was the best, because it was a clean business.

Q. Why did you divest yourself of it?—A. I did not. I sold the whole business, buildings and everything.

By Mr. Schaffner:

Q. What business did you go into?—A. After I left I took the management of the Cockshutt Plough Company's business for Saskatchewan.

Q. Did you make \$8,000 a year out of that?—A. No, sir; I was working on a salary. It was close to my place of business, so I was in touch with my own business, and had a chance to supervise my collections and look after my own business.

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By Mr. Lancaster:

Q. If you do not mind—I do not insist upon your answering this question—I will be thankful if you would tell me whether there was anything that caused you to go out, anything that frightened you out, of the lumber business?—A. No, sir, nothing at all.

Q. Were you afraid you would get hit in the back, carrying money around?—A. I don't know that I made more money out of my little business than any other retail dealer in the district.

Q. You do not think that?—A. No, sir.

Q. Others are doing as well?—A. Doing as well as I did.

By Mr. Sloan:

Q. The other man who was in the lumber business has retired?—A. He has retired; he does not do any more work.

By Mr. Crocket:

Q. Did you and Marling arrange the local price?—A. At Pense?

Q. Yes, between you?—A. It was arranged at a meeting held in Moosejaw, the year I was a member of the association.

Q. You and Marling would suggest a rate, and it would be adopted by the members of the association?—A. In conjunction with the others. We could not say, because our price would affect towns in the immediate vicinity, such as Limestone, Regina, Drinkwater, Rouleau, and the different surrounding towns.

Q. And both of you lived up to that agreement?—A. Yes.

By Mr. Herron:

Q. Those present at the meetings represented all these towns within a certain radius?—A. Yes, they were represented.

By Mr. Crocket:

Q. Did I understand you to say that you charged any higher rate of profit after you joined the association than before?—A. No, sir, I lived up to the rules of the association as strictly as I knew how.

Q. Did you pay more for your lumber?—A. Yes, I paid more.

Q. You paid more after you joined the association?—A. I think I paid more after I was a member of the association.

Q. And the price was increased to the consumer?—A. The price was fixed, and if I bought from the association mills, I had to pay the price.

By Mr. Sloan:

Q. Did you ever buy at less than the list price?—A. I think I have, but there would be some condition, such as a traveller might come along—I remember a mill being burned, and they had to move their stock that was saved, or something of that kind—and he would give me some special concession, you see, instead of piling the lumber over again.

By Mr. Herron:

Q. Do you think the price of lumber is unduly high?—A. I do, yes.

By Mr. Lancaster:

Q. To what extent would you say the price of lumber now is unduly high?—A. I think that reasonable profit on lumber would be \$4 a thousand, net.

By the Chairman:

Q. Putting it on a percentage basis, would 25 per cent be a fair profit on lumber?—A. Yes, 25 per cent would not be too much.

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Q. Handling stock after you clean up there are no fag ends?—A. There are no fag ends ; no selling off at cost or auction in the lumber business.

By Mr. Crocket :

That is 20 per cent less than you charged?—A. Of course.

By Mr. Lancaster :

Q. Would what you have told the chairman provide for a reasonable amount for writing off bad debts?—A. I might say that having had charge of a very large amount of paper for a machine company such as the McCormick Harvest Machine Company and having charge of a territory covering, say, 100 agencies, we consider, and I have heard it said by the general manager of the company, that there was no State in the American Union or any country he had ever operated in, where as large a percentage of paper was collectable as in the west.

By the Chairman :

Q. Where the percentage of loss was as small?—A. As small.

The CHAIRMAN.—That speaks well for the great and glorious west.

By Mr. Lancaster :

Q. At the time you left the association what did they do in places where applications for membership to your association were refused? Was anything done by your association then? Supposing some man in a certain place applied to join the retailers' association and his application was refused, would the association do anything to provide that place with lumber?—A. No, not that I am aware of.

Q. They would have no sale there?—A. I don't know anything as to that.

Q. The place would not be supplied?—A. The place would not be supplied.

Q. Until they got a man that was accepted as a member of the association? Is that so?—A. Yes.

Q. The CHAIRMAN.—Unless he did as you did, start up independently.

By Mr. Crocket :

Q. How many towns were there in the district to which this rate applied?—A. The rate?

Q. Yes, the Pense rate.—A. Well, I don't know how far it would go. From Moosejaw east I think it would be the same rate.

Q. You cannot say how many yards that would affect?—A. It would affect, I should say, about fifty yards.

Q. Then can you give us an idea as to how many dealers there would be in those towns not members of the association? You have spoken of one dealer at Pense who was not a member of the association—what about the other towns?—A. I know of a town where there was a dealer that the association yard put out of business. I speak of Drinkwater.

Q. Well, do you know of any other dealers in these towns who are not members of the association?—A. No, I do not know—I could not recall any.

Q. There was one at Pense and there are these other towns?—A. There was Indian Head, and Rouleau and Milestone. Of course there were other dealers there—I don't quite understand what you mean.

Q. I want the number of yards that were affected by this rate that you say was agreed upon in the association, and then I want to find out how many independent dealers there were in the district that that rate would be applicable to?

The CHAIRMAN.—Mr. Crocket means how many persons dealing in lumber that are outside of the association?—A. There would not be more than three or four yards.

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By the Chairman :

Q. In the whole district?—A. No.

By Mr. Crocket :

Q. Do you say that there were not more than three or four dealers that were not members of the association?—A. Not that I am aware of.

Q. And you say you know one of these who was crowded out?—A. Yes, William Ainsley, of Drinkwater.

Q. And how many dealers were there who were members of the association?—A. Well, there might be fifty, you know ; there might be fifty more or less.

By Mr. Lancaster :

Q. At the time you speak of, while there was an undue amount of profit being charged, were there any responsible or public bodies to take any notice?—A. Not that I am aware of.

Q. You do not know of any resolution by the board of trade of Regina, or any large places, taking notice of that?—A. At that time?

Q. No, recently.—A. Recently ; yes, sir.

Q. At any time within the last year or two?—A. Yes, sir. If you will permit me I will read the resolution that was submitted to the Regina Board of Trade?

Q. Was it passed?—A. Yes, sir, passed hands down.

Q. I gave notice of motion that I would move at the Regina Board of Trade, and I will read that if you will allow me.

Moved by myself, seconded by W. Campbell, J.P.:

‘That this board is in hearty sympathy with the resolution of Mr. Herron brought before the House of Commons regarding the necessity of investigating the matter of the supposed lumber combine, and that a telegram be sent to Ottawa requesting that the committee do sit here to take evidence and that a committee of this board be appointed to prepare evidence.’

I might say that that resolution was handed in as notice of motion.

Q. Was it passed?—A. I want to explain. In the meantime it was thought by the board of trade that a Royal Commission, but when the board met it was found that a committee was to conduct the investigation. However, this resolution was debated and passed and endorsed by every member present at that meeting, which I am free to say, was as representative a meeting as has ever been held in the city of Regina, those present including the member of the local legislature for Regina and also Mr. Haultain, leader of the opposition, and other influential men.

By Mr. Fowler :

Q. Will you pardon me for interrupting for a moment and interjecting a question.—A. Yes.

Q. At this time when you moved that resolution were you still in the retail lumber business?—A. No, sir.

By Mr. Lancaster :

Q. That is not what I wanted to know. I wanted to know if there were any resolutions of boards of trade earlier than that?—A. Not that I know of.

By the Chairman :

Q. What was the date of that resolution?—A. February 16.

By Mr. Lancaster :

Q. That is approving of the appointment of the committee, but what I want to know was whether there was any public expression by boards of trade or representa-

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tive bodies showing they realized and recognized that an undue amount was being charged the consumer for lumber?—A. Not that I am aware of.

By Mr. Fowler :

Q. And this resolution was the result of what had already taken place here?—A. Yes, sir.

Q. Up to that time, until this matter had been probed to some extent, there was no public feeling in regard to the matter in Regina?—A. Not as a body.

Q. The people were perfectly satisfied, everything was going along smoothly, and the retailers were making forty, fifty, sixty, seventy per cent? There was no dissatisfaction until Mr. Herron moved in the matter?—A. Yes, sir, there was all kinds of dissatisfaction, no doubt about that.

Q. At the time you were making the \$8 profit was there any kick?—A. Yes.

Q. Did they know you were getting that amount of profit?—A. The consumers?

Q. Yes?—A. They did not know what profit I was making.

By Mr. Sloan :

Q. You blamed it on the mill men?—A. I told them there was a car shortage, or it was owing to freight rates.

By Mr. Fowler :

Q. In justice to yourself, because there seems to be an idea that perhaps you were taking these large profits—you have had a remarkable conversion; like Paul of old, from being persecutor you have become one of the persecuted yourself—why is it you have taken this stand now? Because you are at last awakened to a full consciousness of your duty as a public citizen, or is it because you are in need of lumber and want to get it as cheap as possible?—A. I don't want to buy lumber for my own use. I have no axe to grind. I want to give you gentlemen exactly what I know, whether it affects the consumer or manufacturer; it matters not to me.

Q. I am only trying to give you a full chance to explain your position?—A. That is the position exactly.

Q. It is purely as a public-spirited citizen that you are acting?—A. It is as a public-spirited citizen.

Q. You don't want anybody else to make any money after you have made it?—A. I don't care how much they make.

By Mr. Sloan :

Q. Give us any remedy you would suggest so that the consumer would get the advantage?—A. I presume that will be a matter for this committee of the House of Commons.

Q. I am asking you now—you have come down here to give evidence?—A. The suggestion I would make would be that an export duty be put on logs, and that the duty be removed on the manufactured article; or an arrangement be made whereby the provinces might have control of certain timber lands. I understand we have vast forests to the north.

By the Chairman :

Q. There is a good deal of timber in North Saskatchewan?—A. Yes, sir.

By Mr. Fowler :

Q. Do you suggest an export duty on logs?—A. Yes, sir.

Q. Are logs being exported in large quantities now?—A. I think they are, but I am not in a position to speak as to that.

Q. Are any manufactured logs being exported?—A. I don't know. Square timber would be exported.

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Q. You mean dimension timber?—A. Yes.

Q. You would not shut down the exportation of dimension timber any more than you would boards?—A. Why not, if dimension timber would make boards.

Q. That dimension timber is used for building purposes, without being re-sawn or re-touched?—A. But if the demand is greater than the supply and we need this timber for our own people, for our own consumers, why not—

Q. But you are confining it to the dimension timber. Why would you confine your export duty to that?—A. I would not confine it to that: I do not think I would.

Q. You would put on an export duty to prevent the western lumbermen from exporting or selling his goods abroad?—A. Yes, sir. I don't know; it was just a suggestion; you asked me for one. And I would like to see the duty removed on mill machinery so that our manufacturers might get their mill machinery much cheaper.

Q. You think that?—A. I think that would affect the cost of production.

Q. The mills are pretty well supplied with machinery. Do you think that would have very much effect?—A. There are certain classes of machinery that the duty might be removed from. You take band saws and circular saws, that is quite an important item.

Q. You think that the removal of the duty would affect the price of lumber in that respect?—A. I do.

Q. What do you say as to the proposition put forward by Mr. Heaps, in the putting of a duty on lumber? How would that affect the farmer?—A. I don't see how it would cheapen lumber. I don't know what the prices are now on lumber coming into Canada, but I know when I was buying—I bought some lumber from the Larsen Lumber Company in 1904, and their price was much less than our Mountain price was.

Q. Your idea of cheapening lumber would be to handicap the lumbermen of British Columbia?—A. I would not want to handicap them.

Q. If you put an export duty on are you not handicapping him to that extent? Are you not preventing him from sending abroad any part of his output?—A. If the demand at home was sufficient to take all his product, it would not be a handicap to him, would it?

Q. It would depend upon the price. Would you not admit the lumberman has the right to sell in the best market he can find?—A. Yes, that is very true, but if you find that the manufacturer is getting too much money for his lumber and is supplying a foreign country in preference to our own people?

Q. He cannot be getting too much money for his lumber in the home market if he is getting a better price in the foreign market; the two things jibe. Putting an export duty on lumber is a funny thing it strikes me.

By Mr. Sloan :

Q. You do not think it is possible to do away with the retailers—you would not advocate doing away with them altogether?—A. I do not see how you can do away with the retailers.

Q. The retailer is a very necessary evil?—A. I would not say he was an evil at all; we must have retailers. Of course, as far as I am concerned, it is a business proposition, I have spent my life on the prairies; I have been there for twenty-five years, and I understand pretty well the conditions that prevail.

Q. You think it is necessary to have the retailer to handle lumber, that it would be pretty difficult to handle lumber without him?—A. It certainly would.

Q. What is your stand on a position of this kind: Would you object to the lumbermen of British Columbia selling to the consumer direct?—A. Would I object to them selling to the consumer direct? No. I might say that while this man Machaelis was selling his lumber we went right on and sold our lumber out of our yards just the same. We were doing a large business and getting a price too.

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Q. You are agent for the McCormick Company ?—A. I am manager of the Fairchild Company.

Q. What do they manufacture ?—A. Agricultural implements.

Q. They have agencies all through the Northwest ?—A. They sell direct, they are manufacturers' agents.

Q. They are the manufactures themselves ?—A. No, manufacturers' agents.

Q. They sell to the consumers do they ?—A. No, they sell to the trade.

Q. They do not sell direct to the consumers ?—A. No, sir.

Q. Your people then would not allow the manufacturer to sell direct to the consumers either ?—A. I do not know that.

Q. You would naturally suppose they would not allow them to sell ?—A. Well, they could not because they are an American concern, you see and their head office is at Moline.

By Mr. Fowler :

Q. Do not some of these agricultural implement agencies sell lumber as well ?—

A. Sell lumber ? Oh, yes.

Q. Does your company ?—A. No, sir.

By Mr. Sloan :

Q. Your people would certainly object to a manufacturer selling direct to the consumer ?—A. The Massey-Harris Company are wholesale—

Q. You are not answering my question. I am asking you if the manufacturers, whom the Fairchild Company represents, sold direct to the consumer, would your company be inclined to make a complaint ?—A. I think they would.

By Mr. Schaffner :

Q. What were you going to say about the Massey-Harris Company ?—A. They are wholesale and retail.

The committee rose.

March 21, 1907.

The committee met at 3.30 p.m.

Examination of Mr. THOMAS WILKINSON continued.

By Mr. Crocket :

Q. You spoke about an independent dealer being driven out of business at Drinkwater ?—A. Yes.

Q. How was he driven out of business ?—A. I have the correspondence here, and a letter from Mr. Ainsley which I would like to put in as evidence, and as an additional explanation of the whole business. I understand that he was put in a corner by another agency to the Regina Lumber and Supply Company. That some way the Regina Lumber and Supply Company put in another yard there, and crowded him out as regards prices.

Q. The Regina Lumber and Supply Company put in another agent ?—A. Yes, and practically crowded him out, I presume as regards price, but as to that I don't know.

Q. So the Regina Lumber and Supply Company is connected with the Retail Association ?—A. Yes.

Q. And how was he crowded out ?—A. Well, I don't know how they did it, but this is a letter he received from the secretary of the association.

APPENDIX No. 6

THE WESTERN RETAIL LUMBERMEN'S ASSOCIATION.

WINNIPEG, MAN., NOV. 22, 1902.

Mr. WM. AINSLEY,

DEAR SIR,—Your letter addressed to Mr. Stewart and dated the 8th November was submitted for the consideration of the board, and I have been instructed by them to write E. Simpson and Company that unless his stock of lumber is kept at Drinkwater another membership shall be granted. It has been decided that the requirements of the trade at Regina is being sufficiently supplied by the lumber yards now established there. I herewith return you remittances given me for Regina and Drinkwater membership.

Yours truly,

(Sgd.) ISAAC COCKBURN,

*Secretary Treasurer.**By the Chairman:*

Q. This letter was supplied to you by the gentleman referred to?—A. Yes, by Mr. Ainsley.

Q. And that is the way you got your knowledge?—A. That is the way I got my knowledge, yes.

By Mr. Crocket :

Q. He was a member of the association?—A. Yes.

Q. I understood you to say an independent dealer?—A. No, he is not an independent dealer, I mentioned that independent dealers, that Joseph Glenn, Indian Head, Glen Bros., Milestone, and G. K. Glen, of Sintaluta.

Q. I understood you before that this case occurred to a Drinkwater dealer who was not a member of the association, and that he was driven out of business by the association?—A. Well, he claimed to have been driven out of business by the association, although he had a membership.

Q. This man didn't become a member of the association, but he was an applicant for membership and was refused?—A. For Drinkwater and Regina, it seems that this man was granted a membership in the first instance at Rouleau, and that the Regina Lumber and Supply Company had put in that they desired an agency, but they found under the rules of the association that only one yard was permissible at that point, and in order to close him up—the object was to put in their yard—they wanted him to sell to them, and he refused to do so, and they said well, we will put you out of business, and they succeeded in doing so in some way.

By Mr. Schaffner:

Q. How could they put a man out of business who was a member of the association?—A. I think he was a member.

Q. What man are you talking about?—A. Wm. Ainsley, Drinkwater.

Q. I understand that a man who is a member of the association can go to any other point he likes?—A. No, sir.

By Mr. Lancaster:

Q. The membership was for the locality?—A. The locality.

By Mr. Sloan:

Q. The right of membership in the Western Lumbermen's Retail Association applies to a certain defined area?—A. Yes.

By Mr. Lancaster:

Q. Was this man a member for one area and he wanted to get in another?—A. Yes.

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By Mr. Crocket:

Q. What area was he a member of the society for?—A. I am not clear whether it was for Drinkwater or Rouleau.

By Mr. Sloan:

Q. That is one object that the Western Lumbermen's Retail Association to portion out certain areas to certain members of the association, and they were only entitled to handle lumber for that area?—A. Yes.

Q. And the district around?—A. Naturally, the district around?

Q. And no other dealer could compete in that area?—A. Yes, sir.

By Mr. Galliher:

Q. You mention the names of some men whom you say were prevented from going into lumber dealing?—A. Yes, sir.

Q. What evidence have we of that?—A. Well, I spoke to Mr. Glenn, and he said he would like to buy part of the lumber that I purchased from these independent mills, and he and I went to Winnipeg together to attend a meeting and to press our claim for membership.

Q. You were a member?—A. Not at that time.

Q. Can you mention any other name? You spoke of one, Mr. Glenn, but are there any others, and if there are, what evidence can you give us that they were prevented going into business?—A. Well. I had correspondence with them.

Q. Have you any correspondence here?—A. I have. I have some from Mr. Glenn.

Q. Leave Mr. Glenn out?—A. The only evidence I have to offer is what I know personally, knowing it to be so, but I have no letter to show that.

Q. Is that the explanation of it?—A. It is sometime since I went out of the business of lumber dealing and the correspondence has been destroyed because I had no object in keeping it.

Q. What I want to get at is this: We are sitting as a committee to decide on certain points and we must have something tangible before us. A man may state his intention of going into business and never go into that business?—A. It is possible.

Q. What you have to state is that someone expressed an intention of properly going into this business?—A. That is not correct at all. I know that he had every wish to go into the lumber business, and that is borne out by the letter from Mr. Glenn, dated January 24:

INDIAN HEAD, N.W.T., Jan. 24, 1903.

THOMAS WILKINSON, Esq.,
Pense.

Re LUMBER.

DEAR SIR,—I am, like yourself, not a member of the association and open to purchase all kinds of lumber; I will be glad to get your quotations, and trust we may be able to do some business.

Yours truly,
(Sgd.) JOSEPH GLENN.

Q. What was the date of that letter?—A. January 24, 1903.

Q. In your dealings as a member were you restricted to any area?—A. Yes, sir.

By Mr. Sloan:

Q. What was the extent of that area?—A. It would be the territory naturally dependent on the town. For instance, I was seventeen miles from Regina, and we used to take half way to the adjoining town as defining territory.

By the Chairman:

Q. If anybody came to buy lumber, no matter where he came from, would you sell?—A. If a man came to my yard, I would sell to him.

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By Mr. Sloan :

Q. A man was not entitled to hunt business outside his area?—A. No.

Q. You would sell to anybody coming to your yard without asking his address or the district he belonged to?—A. I would.

By Mr. Herron :

Q. You are giving evidence on behalf of the consumers. Do you think that the high price of lumber is having the effect of retarding settlement in the country?—A. Well, I don't know that it is retarding settlement, but it is retarding building operations, and it is imposing a hardship on the settler in this way, that they have to provide for themselves suitable buildings, and the condition is the prices of lumber are higher than they are able to pay.

Q. Does it affect the labouring man in the towns and cities?—A. It would affect the labouring man to this extent, in the building of his house the excessive price of lumber would increase the cost.

By Mr. Galliher :

Q. Following the same line as that on which Mr. Herron has asked you questions, would not the high price of any supplies that the settler would have to get in have the same effect as the high price of lumber?—A. Yes, but there are many articles which he buys that may be looked upon as luxuries, but lumber is an absolute necessity.

Q. Well, a man has to buy farming implements, for instance?—A. A man may have a binder and that binder may be used by a dozen different farmers, but a man must have a building to live in.

By Mr. Herron :

Q. How much lumber was used in building operations in the Regina area in 1906?—A. Not less than ten million feet.

By Mr. Sloan :

Q. We have had it stated in evidence that the price of lumber was low in 1904, and that some manufacturers were responsible for that, and that American competition had nothing to do with the reduction of prices?—A. I think that the prices of lumber were lower that year in Washington, that is in the United States, than it was in the Canadian mills.

Q. In 1904?—A. Yes, sir.

Q. Prices were lower in Washington than in the Canadian mills?—A. Yes.

Q. So Mr. Whyte's ultimatum was not the only thing that affected the price of lumber?—A. I don't think it was.

Q. It did not cause the drop from \$21 to \$16 a thousand?—A. I think that probably what affected the prices more than anything else was that a good many dealers were buying from independent mills, and with some mills which were dealing with the association were selling a few cars on the sly to other than association members.

Q. In other words, there were mills which were selling below list prices?—A. They may not have been selling below list price, but breaking faith and selling outside the association.

Q. Do you have trouble with this list price?—A. In this way. You as a member of the association are restricted from selling lumber to non-members of the Western Retail Lumbermen's Association. You may sell at a higher price and not be breaking faith.

Q. That is not my point. You say the American prices were lower than Canadian prices?—A. Yes, sir.

Now, the fact that American lumber can be imported free of duty, would that not be a factor in affecting the price in Canada?—A. They don't import lumber free of duty.

Q. Not rough lumber?—A. We don't get any rough lumber.

Q. Oh, yes?—A. Very little. Out of a million feet a year, I don't handle 20,000 feet of imported rough lumber.

Q. I am not asking what lumber you handle, but was it not a fact that American competition was an important factor at that time in determining the price. You say so yourself that you have a price-list showing lower quotations?—A. Yes.

Q. Rough lumber, as I understand it, is sized lumber and sawed?—A. No, not rough lumber.

Q. It is not run through the saw?—A. Well, yes.

By Mr. Galliher :

Q. And planed on one side?—A. I don't call that rough lumber.

By Mr. Sloan :

Q. It comes in free of duty?—A. I don't understand it that way.

Q. You say here that the cost of production increased in 1905. What do you know about the cost of production. You made that statement here yesterday?—A. Well, I say that labour was higher.

Q. Where?—A. Labour was higher on the prairie and in the mountain.

Q. What do you know about labouring men?—A. Well, there are a good many of our farmers on the prairie, who go to the mountains to work in the winter in the mills, and I saw a bunch of men as I was coming here who told me about it.

Q. Were they satisfied with the prices they got?—A. For labour?

Q. Yes.—A. They seemed to be.

Q. Were these men farmers?—A. Farm hands.

Q. They farmed in the summer time and went to the mountains in the winter time, and they were satisfied with the wages paid by the lumber mills?—A. Yes, they got \$26 to \$40 a month.

By Mr. Lancaster :

Q. What I understand you to state is that there has been an increase in the cost of labour. Can you give us any percentage. Can you compare labour in 1905 with 1904?—A. Probably ten per cent.

Q. How much higher in 1906 than in 1905?—A. I don't think there was much difference.

Q. Not much difference?—A. No, sir.

Q. What do you say about other matters affecting the cost of lumber?—A. Well, I would say that flour was about \$10 a ton cheaper. Oats were worth about \$42 a ton.

Q. Cheaper, when?—A. I sold oats last winter for \$13.50 a ton. That was free on board Pense.

Q. You were telling us that flour was cheaper. When was that?—A. Cheaper at the present time.

Q. Now than when?—A. Than they were a year ago.

Q. To what extent do you say?—A. I should judge about \$10 a ton.

Q. What about pork?—A. Pork is higher.

Q. To what extent?—A. Oh, pork would be three to five cents higher, I should judge.

Q. What about horses and wagons, and things like that, that a man has to use?—A. Horses are higher.

Q. How much? What proportion?—A. There was an advance in price in 1906.

Q. Was there an increase in the cost of production to justify the increase in the price of lumber?—A. I think there was an increase of prices owing to the increased cost of production.

Q. In 1905 and 1906?—A. Yes.

Q. In speaking generally what would you think it would be to state as the increased cost of production to the lumberman in 1906 over 1895?—A. Well, my judgment would be that the increase would be ~~five to ten per cent~~

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Q. What would you limit it to ?—A. I think it is ten per cent at the outside.

By Mr. Galliher :

Q. Taking wages into consideration ?—A. Yes.

By Mr. Lancaster :

Q. Wages and everything ?—A. You must understand that some articles are very much cheaper. Beef has not been so cheap for years.

Q. Do you take into consideration the increase of the cost of stumpage ?—A. I don't know anything about the price of stumpage.

Q. You don't know whether it is higher or not ?—A. No.

By Mr. Knowles :

Q. You can only give us the increase in hay and oats. You have only got half the sum because you say you don't know what logs were worth ?—A. The only intelligent answer I can give is the statements that have been made to me by mill men who are in the business, and who are friends of mine.

By Mr. Lancaster :

Q. Do you know anything at all of any stable figures in 1905 and similar figures in 1906, in regard to stumpage ?—A. No, what I know is that the cost of stumpage is \$5 a square mile.

Q. When, in what year ?—A. 1906.

Q. What was it in 1905 ?—A. I don't know.

Q. This, of course, is no good to us. Can you say whether there was any corresponding increase in prices. If you cannot, you cannot help us ?—A. I am not able to give that information.

Q. You don't know the difference in 1905 and 1906 ?—A. I do not.

By Mr. Sloan :

Q. Have you got anything else you would like to put before the committee? You have got a lot of papers there ?—A. Yes. I would just like to point out to the committee the difference in the cost between Calgary and Moosejaw and Regina. Here is the retail price list showing the common four-inch boards and six-inch boards are \$19 to \$21.

By Mr. Galliher :

Q. What date is that ?—A. 1907.

By Mr. Lancaster :

Q. Give us the prices so that we can compare them ?—A. I am going to give prices and compare them between Regina and Calgary.

By Mr. Crockett :

Q. What is the distance from Regina to Calgary ?—A. A little over 700 miles. The difference in the freight rate would be about \$1 per thousand.

By Mr. Sloan :

Q. What is the rate ?—A. It is about 27 cents to Regina and about 23 cents to Calgary. About 27 to 30 to Regina. For common boards four inches wide we are getting \$19 and \$26 for six-inch.

By Mr. Galliher :

Q. What date are you speaking from now ?—A. This is September 6, 1906.

By Mr. Lancaster:

Q. What is the present price of boards in Calgary and Regina?—A. The date of this list is September 6, 1906. It is the Calgary retail list, and gives the price of boards \$19.

By Mr. Sloan:

Q. That is the retail price?—A. Yes, and six-inch boards are \$21. I have nothing for the same date, but I have the list of February 20, 1907, at Regina, and the price has risen two dollars since then.

By Mr. Lancaster:

Q. That is a comparison between dates, but no comparison as between prices?—A. Yes, there was a two dollar advance on this list on the Calgary list.

By Mr. Sloan:

Q. You have not got the Regina list of the same date?—A. I have not.

By Mr. Lancaster:

Q. You can compare the prices by adding the \$2 to the Regina price?—A. Yes.

Q. What does the list give the price of boards in Regina?—A. Four-inch boards \$30, that is the difference from \$21 to \$30.

Q. What about six-inch?—A. They are the same price, \$30.

By the Chairman:

Q. There is a dollar extra to add to freight?—A. Yes.

By Mr. Lancaster:

Q. What did you say the price of six-inch boards were?—A. \$30 at Regina.

Q. The same as the other?—A. Yes, the same as the other.

Q. Then the difference is \$30 as compared with \$23?—A. Yes, sir.

By Mr. Crocket:

Q. Would there be a Calgary Association and a Regina Association, or would the dealers in the two places come into the same association?—A. There are different associations.

By Mr. Lancaster:

Q. What is the Moosejaw figure?—A. The same as Regina. Calgary shiplap, four-inch, is \$20, that is \$22, adding the extra freight, and in Regina \$30.

By the Chairman:

Q. That is a difference of \$8?—A. Yes.

By Mr. Sloan:

Q. How do you account for that discrepancy in price?—A. I cannot account for it. I know no reason for it.

Q. Would the retail dealers buy for the same prices?—A. I don't think that there would be a difference which would be a reason for it.

Q. No legitimate reason for making the difference in the profit?

Q. According to that the retailers in Alberta stick to the 20 per cent basis, and the retailers in Saskatchewan are getting prices arranged by themselves independent of the 20 per cent basis?—A. Yes, undoubtedly, if these lists are correct, and I believe that they are.

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Q. The retailers for Saskatchewan pay no attention to the 20 per cent basis?—A. I don't think they do.

By the Chairman :

Q. You have copies of the by-laws of the Western Retail Lumbermen's Association?—A. Yes, sir.

Q. Did you ever notice any clause about the 20 per cent basis?—A. I cannot say that I did; I cannot swear to any one clause. I have a general idea of it.

By Mr. Crocket :

Q. If there was such a clause, were you bound by it?—A. No, there is nothing binding. I would like to make an explanation. The point has been raised as to whether or not this association exists now. I would like to say—

By Mr. Galliher :

Q. The Retail Association?—A. Yes, sir. I would like to say that on the 20th February an advertisement was put in the local press, and this is a clipping I cut out of the *Regina Leader*, asking for applications for a secretary at the Moosejaw office.

By the Chairman :

Q. Secretary for what?—A. This is the advertisement :—

'Wanted—Applications will be received by the undersigned for the position of assistant secretary for the Western Retail Lumbermen's Association for the Saskatchewan district. Must state experience and salary expected. Information as to the duties of the office may be had from T. B. Patton, of the Regina Lumber and Supply Company, Limited, or myself, W. W. Davidson, vice-president, Moosejaw, Saskatchewan.'

By Mr. Lancaster :

Q. Was that a new office?—A. I think not.

Q. Was there an assistant there before?

By Mr. Herron :

Q. Are any complaints made about short measurements of lumber?—A. Yes, sir.

Q. Did any of the mills you dealt with not supply full measure?—A. Well, I got full measure from the mills I bought my lumber from before I was a member of the association.

By Mr. Sloan :

Q. Was that planed lumber or rough lumber?—A. Planed lumber.

By Mr. Galliher :

Q. That was a matter very much between the mills, the manufacturer and the dealer? I didn't hear your statement, but I was informed that you made the statement that the manufacturers at the mills would not sell to any yards other than those whose owners were members of the association. Is that a correct statement?—A. Yes, sir, as far as my knowledge goes.

Q. Do you know that, or is it something that was told to you?—A. The manufacturers refused to sell me lumber because I was not a member of the association.

Q. And you were dealing at the time?—A. Yes, sir.

Q. When was that?—A. That was in 1902.

Q. And what has happened since. Has that continued up to the present?—A. No, I joined the association in 1902.

Q. In regard to others outside yourself, do you know as a matter of fact that the mills will sell to the yard handling lumber and do sell to them at the present time?—A. That are not members of the associations?

Q. Yes?—A. I don't know that they do.

Q. You could not say as to that?—A. No.

Q. Nor could you say that they did at any time subsequent to the time that you became a member yourself?—A. Oh, yes, I know that they were refusing lumber.

Q. How do you know that?—A. Because I have made application myself, and personally tried to negotiate with them for lumber, and tried to come to an agreement where myself and another man might buy lumber from independent mills and take their output. For instance, the Macleary Supply Company, Regina, tried to buy lumber outside the association and failed.

Q. Well, do you say that a member of the association cannot buy from independent mills?—A. Anybody can buy from an independent mill if they know where to find it. I travelled all over British Columbia and had a man there one winter.

Q. When was that?—A. That was in 1903.

Q. What has been the conditions during the last two years?—A. I don't think there has been any change at all.

Q. Do you know as a matter of fact?—I know the people who have been refused.

Q. Tell me who they are?—A. We will take for instance Messrs. Smith Bros. and Wilson, Regina.

Q. I mean not members of the association?—A. Yes, sir, they are members of the association now.

By Mr. Crocket :

Q. Before you became a member of the association were you able to buy from the mills that were not in the association?—A. No, sir.

Q. Have you any other instance of that?—A. Yes, sir. There is a letter put in as evidence.

By Mr. Herron :

Q. Was there at any time a split between the Mountain Lumbermen's Association and the Mountain Mills Association, and what was the effect of that?—A. I do remember something, but I cannot give the exact date.

Q. What year was that in?—A. I believe it was in 1904.

Q. Do you remember anything about what was the effect it had at that time on the lumber trade. Had it anything to do with the fall of prices of lumber at that time?—A. I don't think it had.

Q. You were buying lumber about 1905 in considerable quantities? You had the price of 1905, and the price a year later, 1906, for the same quality of lumber?—A. Well, I bought lumber in 1905 100 per cent cheaper than I can buy it at the present time. I bought 230,000 feet in 1905.

Q. Did you buy any considerable quantity in 1906, a year later?—A. This would be in December, 1905, and January and February, 1906. I bought the material that went into the Cockshut Plough Company building and the Fairchild's Company building.

By Mr. Sloan :

Q. Did you buy from a member of the association?—A. No.

Q. Who did you buy from?—A. The Sparwood and Armstrong mills.

Q. Are they members of the Mountain Association?—A. No, sir.

Q. They are independent mills?—A. Yes.

Q. Did you buy below list prices?—A. I paid \$18.50 a thousand all round.

Q. Job lots?—A. No, sir.

Q. As regards prices, you jobbed the prices and made one price?—A. Yes.

By Mr. Sloan :

Q. Is this price as low as you can buy at?—A. Yes. I say it is 100 per cent cheaper than you can buy now.

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By Mr. Lancaster :

Q. Did you buy all the lumber from the same mill ?—A. No, two mills.

Q. What were they ?—A. The Sparwood Lumber Company and the Armstrong Company.

Q. Were they members of the mill owners association ?—A. No, sir.

Q. Are they now ?—A. I think that the Armstrong mill is.

Q. Isn't the Sparwood mills a member of the association ?—A. No.

By Mr. Sloan :

Q. Are you agent of the Cockshutt Plough Company ?—A. No, sir, I am manager for the Fairchild Company.

Q. When you were manager of the Cockshutt Plough Company did the company have an agent selling to the consumer all through the province ?—A. They sold goods direct wholesale to the dealer.

Q. At that time you were middleman for the Cockshutt Plough Company ?—A. No. We just had a distributing point.

Q. Who did you distribute to ?—A. The dealers.

Q. Then you were the middleman ?—A. You can call it so if you like.

By Mr. Lancaster :

Q. Has the Sparwood Company never been a member of the association ?—A. No, sir.

Q. What was the reason that they cannot sell as cheap now as then ?—A. Well, I don't know what they sell lumber for now, but I say that the price of the Western Retail Lumber Dealers' Association, at the present day, is 100 per cent higher than what I bought for.

By Mr. Crockett :

Q. When did you make this purchase from Sparwood Company ?—A. Late in 1905 or early in 1906.

By Mr. Herron :

Q. The consumer just has to pay whatever the merchants charge him ?—A. Yes, sir.

By Mr. Lancaster :

Q. What was the price of lumber in 1905 ?—A. Lumber I bought in 1905 was the lumber that went into the construction of the Cockshutt Plough Company's building and a building I built myself.

Q. What was the price ?—A. \$18.50.

By Mr. Sloan :

Q. I am a farmer and if I went to the Cockshutt Plough Company for a plough will they sell me that plough direct ?—A. I don't know whether they will or not, I don't think that they would, but I would point out to you that if I want a carload of coal—

Q. I am not asking about coal. I am asking about ploughs.

By Mr. Lancaster :

Q. What would you pay now for similar lumber that you bought then ?—A. I would pay \$36 per thousand.

Q. That is the retail price ?—A. Yes.

By Mr. Herron :

Q. Taking lumber of the same quality at Prince Albert and Regina, would the difference in the price be just the difference in the freight rate?—A. I don't know what they sell lumber for at Prince Albert. I know that lumber going to Prince Albert is sold at the same price, but there is a difference in the freight rate.

Q. It is sold at the same price?—A. Yes.

By the Chairman :

Q. They sell a great deal of Prince Albert spruce?—A. Yes, sir, and it is of excellent quality. There is another point that I would like to state, and that is, on December 20, 1906, Mr. J. Kellett, 193 Henry Avenue, Winnipeg, came to my office and showed me a list. In the first place, he came in to sell me lumber, having an idea that the lumber yards of Smith Brothers that are occupying some property that I own were my yards and that I was the dealer. When he found out that I was not, he showed me a letter, which I read, and I called my book-keeper, and gave it to him to read. In this letter it was threatened to blacklist the mills that sold to the Regina Lumber and Supply Company, lumber not at list prices.

By Mr. Lancaster :

Q. Have you the letter there?—A. No, I took down the address. The letter was addressed to Mr. John Kellett. I may say that I wrote to Mr. Herron some time ago and gave him this information and told him where this letter could be procured. There is another point in connection with this inquiry that I have not heard brought up in reference to what is called a blanket agency. For instance, an agency is granted at a point where the association considers sufficient lumber is being sold to warrant a yard. Well, a second application goes in and they find that someone else has a second agency for someone who is holding membership in the association, though he is not operating a yard, and they will say we have two members in that town already.

Q. The membership is held by someone not operating the yard and the applicant is willing to operate a yard?—A. Yes, sir.

Q. So they exclude someone willing to operate?—A. Yes, sir.

By Mr. Schaffner :

Q. Where did that occur?—A. I know that it occurred at Minnedosa. I have a little statement here that I would like to put in (reads):—

MR. CHAIRMAN,—Having been a resident on the western prairies for more than a quarter of a century, and being a close observer, having endured the privations and difficulties, of the pioneer life on the prairies, sharing in its seasons of depression and prosperity, I believe myself to be in a position to judge as to what are the real necessities and to understand the conditions which exist relative to the grain and lumber trade which are the chief industries affecting the well being and commercial industries of the west. Being a grain-producer myself and also having been engaged in the lumber trade I do not hesitate to say from my personal experience, that these, together with the matter of transportation, are among the most important questions that confront the western provinces. We all rejoice to see the great wave of prosperity which is sweeping over our Dominion. Surely we have a great heritage, but let us beware lest we place ourselves in bondage, and allow ourselves to be slaves instead of masters. In my opinion there is no greater difficulty existing in our western provinces to-day than the way in which the lumber business is transacted. I will not say there is an alleged combine restraining the lumber trade; that in my opinion is too mild a term. You may have some doubts about its existence. As for me I have none. I am as strongly convinced of it in my own mind as I am of my own existence, and why not? I was

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forced to join it in order to carry on my business successfully and, as far as my judgment goes, I understood it to be a combine. As for its existence at the present time my opinion is that it did exist on the 8th day of March, 1907, in the city of Regina, Saskatchewan, whether or not it is in effect in any other place in Canada; and this I do know that a great deal of suffering and hardship has been caused to settlers who have been able only to provide the merest shelter for themselves and their stock who should have been able to build comfortable places to live in for the same money it has cost for a mere shelter. If the price of lumber had been within the reach of the settler there is many a pile of wheat now lying on our prairies which cannot be moved on account of car shortage and insufficient transportation by railways, which might have been safely garnered if the price of lumber were within their means. There is in my opinion no industry or trade which so seriously menaces the welfare and prosperity of our country and seriously retards the growth of our prairie homes and buildings in our cities and towns as the lumber business. It is bleeding the farmer and taking from him the privileges of free-born British subjects, namely, the right to buy and sell in an open market. I appeal to you gentlemen for protection for western homes, our people and especially our western prairie provinces, and trust that you will take a broad liberal view of the matter, and if, in your judgment, you find these conditions do exist you will recommend such legislation as will be the best interest of our country. We are one family linked together, east and west, and we should work together for the common good of our country. The conditions which affect us affect the whole of Canada. May there be no east, no west, no north nor south, but just one broad Canadian land. Permit me to suggest as a remedy that an export duty be put on all lumber logs, and that the import duty be removed on all grades of manufactured lumber. We talk of Canada for the Canadians, but if we are to allow the best of our product to be exported and we are to be held up by exorbitant prices by the lumber dealers, it is time for us to call a halt, and give the consumer some protection. If the manufacturer is right in saying that the demand is greater than the supply he can offer no objection to this. Then let us supply our own people and it will be no hardship to them because they will have a ready market at home for all their products, and why should we supply a foreign nation when our own citizens are crying for this commodity. I have heard by some interested parties that the farmers of Manitoba are satisfied with the existing conditions. I challenge that statement. I have positive knowledge to the contrary; and, as I own a farm in Manitoba, myself, I understand some of the conditions from the standpoint of the consumer. The province of Manitoba has some competition between Ontario and British Columbia mills, as regards supplies, which gives her a slight advantage, but Saskatchewan and Alberta must look to British Columbia at the present time on account of the freight rate. In the near future, we hope to have transportation from the forest to the north of us, but this will take time. What we want now is immediate relief. (Mr. Sloan: And forty-five per cent profit.) Permit me also to suggest that if an arrangement could be made between the federal and provincial governments whereby the latter could acquire timber lands the provincial government would be in a position to deal with the matter. We, therefore, appeal to you on behalf of the people of the western provinces to probe this matter to the bottom, and deal with it fairly, and if, in your judgment, you find we have been unfairly dealt with you will recommend that parliament take the necessary steps to provide the remedy. Permit me further to suggest that a commissioner be appointed at various commercial centres such as Winnipeg, Brandon, Regina, Calgary, Moosejaw and Edmonton whose duty it shall be to hear complaints and make inspections as to grade of lumber being sold by dealers, and that the consumer be allowed to buy through him at a price in excess of the wholesale price of, say \$2 a thousand, one dollar of which shall go to the dealer and one dollar to the public treasury. This would enable the consumer to get his stuff at a reasonable price, and should satisfy the dealer as he would get about \$20 a car and not handle a foot of the materials.

By Mr. Sloan:

Q. Can you tell us the land values of five years ago?—A. Yes. I bought farm lands five years ago for \$5 an acre.

Q. What do you hold that land for now?—A. I sold some for \$25 an acre.

Q. You sold pretty cheap?—A. I was told I sold too cheap.

Q. Isn't it worth \$30 an acre?—A. I think it is worth \$25 an acre.

Witness discharged.

GEORGE P. WELLS, recalled and further examined.

By Mr. Galliher:

Q. You heard a statement made by Mr. Wilkinson with regard to Smith Brothers of Regina, that they were not supplied from the Mountain mills?—A. I may state with regard to that that Smith Brothers and Wilson are large contractors in the Northwest Territories. Notwithstanding the fact that they are known to be contractors, they wrote that they were opening a lumber yard in Regina. They wrote through me to our sales department and stated that they wished to purchase ten or twelve cars of lumber to open their yard, and I may say that the lumber was shipped to them although they were not members of any association.

Witness discharged.

THEODORE LUDGATE SWORN.

By Mr. Lancaster:

Q. Mr. Ludgate, what is your Christian name?—A. Theodore.

Q. Where do you live?—A. Arrowhead, B.C.

Q. How long have you lived there?—A. About five years.

Q. What business are you in?—A. Manufacturing lumber.

Q. You are a manufacturer?—A. Yes, and logging.

Q. Have you been long at the business?—A. I have been at it all my life.

Q. Have you your own mills?—A. Yes, sir.

Q. How long have you been operating mills?—A. I have been operating mills for the last fifteen or sixteen or seventeen years.

Q. Was there any large increase in the price of lumber, in the price charged for lumber in 1906. It has been stated by several witnesses that there was an increase in the charge to retailers?—A. The average obtained at the mill in 1906 over 1905 was about \$4.

Q. About \$4 a thousand?—A. Yes.

By Mr. Crocket:

Q. What did you make the price in 1906?—A. Our price in 1906 was between \$15.90 and \$16.10.

By Mr. Sloan:

Q. That is the average price?—A. That is the average at the mill.

By Mr. Lancaster:

Q. It was \$4 less than in 1905?—A. Yes.

By the Chairman:

Q. It has been represented by some of the witnesses that the raise was \$6, and that was brought about by having a raise in the fall of 1905?—A. A raise in September?

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By Mr. Lancaster:

Q. It is stated that prices were raised early in 1906 between December, 1905, and March, 1906?—A. Well, there was a raise in 1905, but no business was done on that price because no lumber was sold until the spring of 1906. The 1905 price was simply ruinous to the millers, and they agreed together in 1905 to get a better price.

Q. That did not come into effect until 1906?—A. No lumber was moved until the spring of 1906.

Q. It has been stated that there were two raises between December, 1905, and March, 1906, and another in August. Did you raise prices three times in 1906?—A. Mr. Wells has submitted the different advances.

Q. You say that the total was not more than \$4?—A. What I do state is that the average price of the mill in 1906 was about \$4 greater than the average price in 1905.

Q. And the increase was not more than \$4?—A. Exactly.

By Mr. Crocket:

Q. What was the list price in 1905?—A. Our average price for 1905 was about \$12 at the mill.

By Mr. Sloan:

Q. What was the average in 1904?—A. I have not got the figures, but it was about the same.

By Mr. Crocket:

Q. What you say is the average price for the year?—A. On the whole shipment for the year.

Q. Does your average include the different grades of lumber?—A. It is all common where we are.

Q. Do you mean it is an average on the different grades of lumber for the year?—A. On the entire shipments for the year.

By Mr. Lancaster:

Q. You say it is all practically common lumber?—A. Yes.

Q. What was the cause of the increased price? Why was lumber advanced?—A. We as an association tried to get a living price for our lumber and try to work together to get that price.

Q. You mean that the price it was selling at before was too cheap?—A. Altogether.

Q. And you tried to get a living price?—A. Yes, sir.

Q. And you came together for that purpose?—A. Yes, sir.

Q. And you formed that association in the spring?—A. In September, 1905.

Q. And you did not begin to operate until the beginning of 1906?—A. Yes, sir.

Q. And it is right to say that the first thing you did was to adjust this price?—

A. As far as we could at the time, there was no radical change.

Q. So that was the principal object why the association was formed?—A. Yes, sir.

Q. To regulate prices or it would not have been formed?—A. Yes, sir.

Q. Do you remember what particular advances were made, any particular reason for any special advances?—A. No, sir, Of course, we had to carry our stocks all winter before moving any lumber for the spring trade, and that cost us about \$1.50 a thousand to carry the stock.

Q. What do you say you believe it cost to produce that lumber? I believe it was about \$12 a thousand?—A. Well, I could not give the figures as I did not bring any figures, but Mr. John Kendall, chartered accountant, has submitted figures of the different companies, and I am satisfied that ours are included in the figures given.

Q. I am afraid that that will not advance us much if the accountant has taken the statements from the books. I do not mean to suggest it, but the books might not

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be correct, and if the accountant took things from them his statement would not necessarily tell the cost. What do you say as a practical man? You have been in the lumber business a long time?—A. I have been in the lumber business practically all my life.

Q. Looking at you I should say that you have been in the business about twenty-five or thirty years. —A. I should not like to speak definitely so far back as that although I have been around mills and camps longer than that.

Q. And do you think it will cost about \$12 to produce the lumber in 1905?—A. It will cost more than that, I think.

Q. How much?—A. It will cost us without writing off depreciation of our plant, just the actual cost of sawing and logging, it would cost us between \$13 and \$14, I think nearly \$14.

By Mr. Crocket:

Q. And was sold at a loss I think of \$2 a thousand?—A. Yes, sir.

By Mr. Lancaster:

Q. What do you say the cost was?—A. \$13 to \$14 without reckoning depreciation of plant.

By Mr. McIntyre (Strathcona):

Q. Is that allowing for stumpage?—A. We charge 50 cents stumpage on the log.

By Mr. Lancaster:

Q. How long had you been selling lumber at \$12 that cost \$13 or \$14?—A. We did that all year.

Q. Longer than that year?—A. In the previous two years no one made any money owing to the lack of any organization and the cutting of prices, and the influx of American lumber into the Northwest. We could not meet their prices. We could not produce at the prices of the United States.

Q. And, therefore, it helped to bring yours down?—A. Their lumber came in at a much lower freight rate than ours.

Q. What was the output in 1905?—A. About 13,000,000.

By Mr. McIntyre (Strathcona):

Q. In 1905 the output was about 12,000,000?—A. Yes.

By Mr. Lancaster:

Q. You were losing on that 13,000,000, \$2 a thousand?—A. Yes.

Q. And you say that was the freight being lower from United States?—A. The primary cause was that we could not get better prices.

Q. Why could you not get better prices?—A. Our prices were more than the prices of United States lumber coming in and our prices were demoralized. I think we were largely to blame for it ourselves.

Q. Why were you to blame?—A. I think owing to a lack of organization.

By Mr. Crocket:

Q. You mean you were in competition with each other?—A. Yes.

By Mr. Lancaster:

Q. You say that the cost of American lumber was cheaper because it was free of duty and low freight rate, and you say that there was a lack of organization on your part?—A. A lack of organization amongst the millers of British Columbia.

Q. It was in your opinion the principal cause in the lowness in the price of lumber?—A. I think that the lack of organization was a good deal the greater part of our trouble, and led to the failure to get prices.

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By Mr. Sloan:

Q. Well, you were up against American competition?—A. Yes.

Q. At this time, when lower prices were maintained, the competition from the United States was a very important factor. Do you think that this competition affects you now?—A. Well, we never hear of any American lumber.

Q. You know what the price of the American lumber is at the present time?—A. I have no means of knowing except that our secretary has told me, showing me the relative prices of low grade lumber and showing that the price is very little higher on our side.

Q. Is that the reason there is no lumber coming in?—A. No.

Q. You know nothing of the price of lumber on the other side?—A. No, I don't.

Q. You never see any increase in the price of lumber?—A. No. I saw in a lumber journal that in Oregon ten thousand cars of timber were running \$7,000.

By Mr. Lancaster:

Q. How does that compare?—A. Probably it would be one and a half dollars higher.

Q. You mean on the thousand feet?—A. That is what I say.

Q. Do you realize that you must have lost \$35,000 in cold cash?—A. Yes, sir.

Q. You did?—A. Yes, and lost very nearly everything.

By Mr. Sloan:

Q. What about 1904?—A. That was a bad year too.

Q. Have you any idea how far you went behind?—A. No, I know I was losing money.

By Mr. Crocket :

Q. Has there been any increase in the cost of production?—A. The cost of production has been gradually increasing, in fact rapidly increasing.

By Mr. Fowler:

Q. Some information has been given in respect to the cutting of lumber less than the size it ought to be. For instance 6-inch boards have been found to measure 5½ inches, and boards that should be one-inch thick are found to be only three-quarters of an inch thick?—A. Well, all this lumber is cut a little over 6 inches when green and about one and one-sixteenth of an inch thick, and we put it through the drying kilns and put it through the planers to get it down to a uniform size and, of course, that reduces the width and thickness.

Q. So that you do not gain anything by it not being the full thickness?—A. Nothing at all.

By the Chairman:

Q. What about rough lumber?—A. If you want rough lumber you can get it as it comes right from the tree.

By Mr. Sloan:

Q. Well, what measure will they get?—A. Over an inch thick and a little wider.

Q. How much is lost in drying do you know?—A. Well, it is all lost down to that size.

By Mr. Herron:

Q. A quarter of an inch?—A. There is a good deal lost in shrinkage.

By Mr. Sloan:

Q. That is when the consumer gets dressed lumber—it does not affect rough lumber?—A. Yes.

By Mr. Lancaster:

Q. In the American competition, you didn't come down to below them?—A. No.

Q. You only came to the same price?—A. If we wanted to sell to a dealer we had to make the price the same or he didn't want to buy?

By Mr. Fowler:

Q. Is that competition in low grade lumber?—A. Altogether.

Q. The American mills were using timber for low grade lumber and they wanted a market where they could sell it?—A. Yes.

By Mr. Lancaster:

Q. As to that, the lumber would be put on the market at \$12 less the freight. You were getting \$12 and they would be getting no more than you?—A. I didn't say that to you.

Q. You were getting \$12?—A. Yes.

Q. How much would come off for freight?—A. About \$4 a thousand.

Q. Then he would be getting about \$8 for the lumber?—A. I agree.

Q. I should like you to say why you are losing all this money on producing in Canada?—A. They can produce cheaper than we can.

Q. The fact is then that he would have \$8 at his mill for what you were getting \$12 a thousand here?—A. Yes.

Q. He was able to produce in the States for \$8 something that cost you \$14 here?—A. The Mountain mills were losing everything in sight?

Q. I understand that you were losing \$2 in selling at \$12 a thousand, and that was caused by the American shippers who were selling here at \$12 a thousand?—A. He met our prices.

Q. And he would get \$8 after taking out freight?—A. Yes.

Q. How can he produce for \$8 what it cost you \$14 to produce?—A. Well, I take it that on a good deal of his goods he had a greater percentage, a greater percentage on his own high grades.

Q. That he would sell in his own market?—A. Yes, such high grades are always worth the money, which would enable him to sell his low grades at a lower price. Then they can produce cheaper. Labour is cheaper, machinery is cheaper, and in my experience in the States you can get better labour.

Q. You mean that you can get more work out of a man?—A. A man is more broke into the job.

By Mr. Herron:

Q. Do you not get a considerable percentage on the higher grade Mountain lumber?—A. No.

Q. Not twenty to thirty per cent?—A. No, not in the Mountains.

By Mr. Crockett:

Q. Have the conditions in the States changed? Have the prices increased?—A. Yes, Mr. Wells has the comparative prices which show that clearly.

By Mr. Sloan:

Q. As a matter of fact in 1904 the Americans were dumping their lumber on the Canadian market?—A. Yes.

By Mr. Crockett:

Q. Did they form an association on the other side of the line similar to yours?—A. I could not say. I think they have an association, but I don't know.

Q. Has the price of labour increased?—A. Yes, the labour situation is getting more serious every year.

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Q. How much more wages had you to pay in 1905 than in 1904?—A. Well, when I first went there we could get a man at the mill for \$1.50 a day, and they pay 65c. a day for board, and about the same thing in the camp, and it has been gradually going up until we pay \$2.75 a day at the mill and a man pays 75c. for board.

Q. What did you pay in 1905?—A. \$2.25. A year ago last fall we could get a man for \$2.25 less 75c. for board, and now we have to pay \$2.75, less 75c.

Q. And in 1904?—A. It was between \$1.50 and \$2.25.

By Mr. Schaffner:

Q. Do you know anything of the cost prices?—A. Yes.

By Mr. Crocket :

Q. Before joining the association did you sell to the company?—A. I never sold car lots except to dealers.

By Mr. Fowler:

Q. What do you mean by getting \$12 a thousand for lumber? Do you mean cut?—A. for the cut logs.

Q. You mean the American lumberman was getting an average of \$8?—A. I don't know that. I don't know that I put it like that.

Q. The American lumberman would pay more for freight?—A. 15 or 16 cents. Our average shipment last year was \$27 and some cents a hundred.

Q. That is cheaper?—A. Yes.

Q. At the same price he could make a profit on the freight rate?—A. Yes.

By Mr. Crocket :

Q. Do you say that American competition was the chief cause of the low price in 1905?—A. Oh, yes, I think that the influx of American lumber put us up in the air.

Q. It was equal for them, too ?—A. It cut everything loose.

Q. So there was no American competition actually?—A. It simply disorganized us when we should have been working together.

Q. And you organized an association for the purpose of stopping competition?—A. Amongst ourselves.

By Mr. Schaffner:

Q. That American competition would have stopped any way?—A. I do not know.

By Mr. Fowler:

Q. Have you any figures showing how much American lumber came in in 1904?—A. I have none.

By Mr. Herron:

Q. Do you think a split between the two associations had any effect in reducing prices?—A. Yes, I think so.

By Mr. Lancaster:

Q. Apparently you didn't do yourself justice in the way you answered that question put by me. You told me that they were getting \$8 at their mill?—A. That is one of the things you have put into my mouth.

Q. You have to take the freight off the cost you have given us?—A. I have taken off the freight.

By Mr. Crocket :

Q. Do you drive the lumber to the mill?—A. Yes, we float it to the mill.

By Mr. Lancaster:

Q. What will be the difference between your price and the American price? Would it be \$4?—A. Our freight would be in addition to the price I quoted.

Q. The real difference would not be between \$8 and \$12 as I supposed your evidence worked out. What a man would get at your mill for \$12 he would get for \$8 there?—A. I don't know. Suppose the lumber was got at the mill at \$12 and the freight was \$5 that would be \$17 altogether. The other fellow would sell at \$17 and he would get a \$4 freight which would give him \$13 at his mill.

Q. What I want to know is what he would get for the same stuff you get \$12 for?—A. I don't know.

Q. I have worked it out at \$8?—A. I have not worked it out.

Q. Would that be right?—A. I don't know.

By Mr. Herron:

Q. You stated that the demoralized state of the market in 1905 owing to the split in the association had something to do with the low price of lumber at that time. After your meeting in September, 1905, were the conditions better?—A. Well, as a matter of fact we didn't move any lumber until the following spring.

Q. In 1906?—A. Yes.

Q. In 1906 had the re-organization of that society anything to do with the better conditions?—A. I think the agreement amongst the millers has improved our conditions as far as they have been improved. Of course, it costs 75 cents to \$1 to carry over stock, and as the depreciation of our stock was to be considered.

Q. The stock was drying?—A. The stock was all dry before it was put in a pile.

By the Chairman:

Q. Kiln dried?—A. Yes.

Q. What about weight?—A. About 90 per cent of the output is cedar, and that is the lightest timber that grows. We have hemlock, a little pine, and a little spruce.

Q. Hemlock is particularly heavy?—A. I think it is the heaviest wood in the Mountains.

By Mr. Herron:

Q. Kiln dried would run about 2,000 pounds to the thousand?—A. About 2,200 pounds.

Q. Is the freight rate for cedar the same as hemlock?—A. I think the railway company charges 5 cents a hundred addition—all on carloads of clear cedar, but we never have any.

By Mr. Lancaster:

Q. Did you make a profit last year?—A. About 70 cents a thousand.

Mr. LANCASTER.—That was on an output of 40½ million.

By Mr. Fowler:

Q. Do you make any charge for stumpage?—A. 50 cents.

By Mr. Galliher:

Q. Supposing I am a lumber dealer and you know that I am not a member of the association but that I am financially good, will you ship me what lumber I want?—A. Yes, sir.

Q. You would not refuse an order?—A. No, sir.

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By Mr. Crocket :

Q. Is there any agreement in your association that you shall not sell to any but members of the retailers' association?—A. I sell to any recognized dealer that has got a rating in Bradstreet's or Dunn.

By Mr. Fowler:

Q. You would not make any communication with the secretary?—A. No.

Q. Not with the secretary of the Retail Association?—A. No.

By Mr. Crocket :

Q. Do you know of any complaint being received by the Manufacturers' Association against any of the mill men for selling to dealers not members of the Retailers' Association?—A. No.

By Mr. Fowler:

Q. For not selling to persons not legitimate dealers?—A. No, I don't. As a matter of fact I have nothing to do with the details.

By Mr. Herron:

Q. You heard the evidence of the secretary of the Retail Association?—A. Yes, but I am speaking from my own knowledge, and I don't know.

By Mr. Crocket :

Q. You are not in a position to say. You never refused to sell lumber to any other but members of the association?—A. No, last year the retail dealers could get the lumber if we could get the lumber to ship.

By Mr. Sloan:

Q. Have you any idea whether the greater part of the Mountain mills are in the Manufacturers' Association or independent?—A. Well, I think at the general meeting 350 mills were represented.

The committee adjourned.

FRIDAY, March 22, 1907.

The committee met at 11 a.m., Mr. Greenway, presiding.

The examination of Mr. T. Ludgate resumed.

By Mr. Galliher:

Q. Can you compare the cost of laying logs down at your mills in 1906 and 1904?—A. Well our cost between 1903 and 1904, and 1906. In the first two years we got logs to the mill a great deal cheaper than we got them later.

Q. Can you give me an idea of the difference?—A. There is a difference of about \$3 a thousand in the increased cost of getting logs to the mill for those first two years.

Q. I am speaking now of paying for the cutting, logging, driving and everything?—A. Yes, sir.

Q. How is that made up? I don't mean item by item, but what is the cost of that? A. Well, in our case the first cost is that we have to go farther back to get the timber

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to the water than we had the first years, and another cause of the increased cost is the general advance of labour, and supplies and so on,—largely labor—that go into the cost of producing the logs.

Q. What have you been putting in, in the way of logging plant, that you have to use for logging in recent years?—A. In our country we log altogether—

Q. You log with horses?—A. With horses entirely.

Q. With regard to your own property what has been your expenditure in regard to that?—A. In outlays? Of course we have to buy horses every year in order to keep up our plant. The horses are dying and getting killed. Some were shot for glanders and others contracted sickness. We have to buy horses every fall.

Q. How do you find the horse market?—A. Very, very high. We find the cost of horses increasing, the last car we bought, we bought in Toronto. We looked around and found we could not get the horses we wanted—that is the way of horses—and we went to Toronto and bought them. That is we had one of our directors, who lives in Peterborough, take charge of the purchase of a car and send a man out with them.

Q. Then generally speaking, on account of the advance in the price of what you might call raw material in producing logs, the cost has gone up three dollars a thousand and at your mill within the last two years?—A. Yes.

By Mr. Herron:

Q. Are there a great many lines of supplies that go into the production of logs cheaper than they were in 1904?—A. Well, the only thing that I know of that I recall now is flour. I recollect our secretary telling us that he had bought a car of flour at a pretty low price, probably a month ago. He got the flour I think at Moosejaw.

Q. Are oats not cheaper?—A. No, we have not found them cheaper.

Q. They surely were?—A. Well, our oats are costing us—

Q. I am not speaking right now—they were probably in the last two months—but of September, 1906?—A. I think oats were lower. We have paid more for oats in other years than we have this fall, but lately they have been advancing and now cost us \$26 laid down at Arrowhead.

Q. Was not hay as cheap last year as it ever was?—A. This last winter?

Q. Yes?—A. It is higher this winter.

Q. It is higher this winter since 1st of January, but was it not as low during the latter part of the summer up to December as it has been?—A. Only about ninety days ago we were buying in Arrowhead at \$17. It is now \$26.50, but the price before that was \$16.50 to \$17.50.

Q. That is practically the price it has been at the last three or four years?—A. I think along there. We have had a contract for our entire season's use of hay at \$26½ laid down at Arrowhead.

Q. What about potatoes?—A. The first year we were there we bought potatoes laid down at Arrowhead for \$12 per ton; we got them out of the Ashcroft country. Since last spring we have paid from \$30 to \$35 a ton for potatoes. Last fall they were below that, of course.

Q. They were as cheap as they ever were last year?—A. Not as cheap as they ever were, but there was no extraordinary price.

Q. I mean on the average—potatoes are perishable and the price may fluctuate—but taking from October to the 1st of January they must have been as low as they ever were?—A. Our potatoes last fall cost us laid down at Arrowhead I think about \$24.

Q. Beef goes largely into the supply?—A. Yes, beef is a large item.

Q. Is that not as cheap as it ever was?—A. Yes, our beef has been running along down; in fact we contract for a yearly supply of beef with P. Burns & Co., who deliver us beef at Arrowhead at a fixed price regardless of the season of the year, and the price prevails now, except, I am told, we are going to pay them another cent a pound for it.

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Q. But it was as low last year as it has ever been?—A. Yes, it ran along about \$8 per hundredweight.

Q. Have you had to pay more than you should have paid?—A. The mills in our country contract with Burns by the year at a fixed price.

Q. Quite a number of these items, leading articles of supplies that go into the production of lumber, are as low, if not a little lower, although you say horses have gone up a little?—A. Well, of course, hay has gone up \$10 a ton.

Q. The past winter has been a hard one, and the conditions since the 1st of January this year would account for that?—A. And another thing that is going to very much increase the cost of logs in our part of the country is the excessively deep snow. We have had right through our limits 5½ feet of snow. All of our logging contractors quit and our camps reduced their force one-half. The camps were simply held together waiting for the snow to get lower and melt away. Our foremen say that the excessively deep snow has increased the cost of our logging by from \$2.50 to \$3.50 a thousand and has crippled our output of logs. We had to reduce our force, and the men we kept there, holding the camps and crews together, with the deep snow, working at a disadvantage not having the full force, has tended to increase the cost of logging \$2.50 to \$3.50 a thousand.

Q. That would apply to the output of logs, estimating the cost of logs, being produced this winter for next winter's supply?—A. Yes.

Q. So the consumer has not really felt any loss on that account?—A. No.

Q. That has not yet been injurious to him?—A. Not yet.

Q. Now, the year before, in 1905-6, the snow was not as serious. It was hardly an average, I suppose?—A. There was just a fair amount of snow, nothing to be a menace to the operations in our country. It is in our particular district that I speak of.

By Mr. Lancaster:

Q. Did I understand you to say, that you know of your own knowledge that the cost has been increased from \$2.50 to \$3 a thousand, or is that what somebody told you?—A. I talked the matter over with our own camp foremen. They wanted to shut the camps up and quit on account of the snow, but I figured and talked with them and went over the details of what they could produce every day, and I carefully figured that it would be better to keep on even at a very much increased cost rather than close up our camp. We have our horses to feed and foremen on our hands to whom we are paying \$110 a month, and we would have to keep on a few men anyway.

Q. It is of your own knowledge you speak of?—A. Entirely my own experience of the situation.

By Mr. Herron:

Q. Can you give us an idea of the cost of manufacturing and handling the logs in the yard and placing and selling the lumber on the cars?—A. Yes, I can give you a general idea of our experience. After we get the logs into the boom at the mill it costs us to take that log and put the lumber in the car about \$6 per thousand. That is for the actual lumber manufactured.

By the Chairman:

Q. What you would call the milling charges?—A. Yes, the sawing, the kiln drying and the dressing. All our lumber goes through those three processes and the loading of course, is the fourth.

Q. You have heard the statement of the very great difference in what they call the milling charges?—A. Yes, and I can account for that in this way: that we were to cut timber such as 12 x 12, and stuff that is cut very quickly and is not dried and only dressed on one side, or perhaps not dried at all, the cost would not be one-half of the cost where you mill your lumber into inch thick.

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Q. That accounts for the discrepancies in the list submitted to us?—A. Very largely in my opinion. The thicker you cut your lumber the cheaper you are going to put it in the car, and on the other hand you get a cheaper price for it than you do when you kiln dry and dress and finish it up for construction purposes, principally house building.

Q. The low rate of manufacture would apply more to the Coast Mills where they do an export business?—A. They cut larger timber than we do. The Coast miller is up against another proposition; that his mill cutting larger, it costs very much more than in the Mountains to cut 100,000 feet. They cut stuff 100 feet and 80 feet. A mill on the Coast cuts twice the length of an inland mill and they need to have more machinery to run the whole thing.

By Mr. Lancaster:

Q. Is machinery at the Coast more costly?—A. At the Coast, yes. It is not more costly but they have got to have a bigger investment to cut 100,000 feet than they have in the Mountains.

Q. They have to expend more for machinery?—A. Yes they have to expend more for machinery.

By the Chairman:

Q. Perhaps you have told us, I am not sure on the point, what is the actual cost of production at the yard or at the mill?—A. At the mill our logs have been costing us—last year we ran one camp where the logs cost us over \$12 a thousand, and we have other camps where the logs cost us \$5 a thousand. Some contractors we have paid \$14 to, and some of our other camps costs us between \$4 and \$5. We have always different costs owing to the situation and the facilities and the ease of logging and so on. We make a general average, that so many mills cost so many thousand dollars per mill.

Q. Some at \$6 and some as high as \$11, we will say?—A. Some over \$12. We had one camp last year where we paid \$2.90 for labor and the logs cost over \$12 a thousand.

Q. What was the lowest you had them laid down at?—A. We had them laid down at the mill for about \$4.50, those were the cheapest logs.

Q. As low as \$4.50 and as high as \$12?—A. Over \$12.

Q. Have you figured out what they cost on the average?—A. Yes, I think our logs would cost us, without any stumpage to the government or any credit to the timber lands for the timber cut, between \$6 and \$7. The cost this winter, in 1906-7, will be greater than ever before. I am speaking now of the year previous to the present that we are operating in.

Q. You are speaking of the production of 1905-6?—A. Yes, a year ago, I am not speaking of the present winter.

By Mr. Lancaster:

Q. That was what in proportion to the last winter?—A. Our cost of producing logs this winter that is 1906-7, would be greater than ever before owing largely to the excessive snow fall.

Mr. LANCASTER.—Yes, that is what you told us.

By Mr. Herron:

Q. You told us what you got for the lumber. You gave that I believe last night?—A. Yes, sir. Last year we got between \$15.90 and \$16.10, I am not sure as to a few cents. There is always a certain little tag end that if left over with the dealers to get closed up; sometimes we get losses with those people.

Q. It seems to me as near as I can trust the figures, it gives an average profit of from \$3 to \$4 a thousand?—A. On the lumber?

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Q. Taking the cost of sawing and handling, the average price you say—A. I don't want to let it stand that way.

Q. Perhaps you could give that information then?—A. You have not got that correct at all. You take the cost of logs and of sawing, here is a whole lot of cost to go on with before you are through your operation.

By the Chairman:

Q. The total cost you say is \$16 a thousand?—A. Yes, for your lumber in the car.

Q. What would that cost you? That would be the answer to Mr. Herron's question. What does the lumber you put into the car which you say, is sold for \$16 cost you? The difference will be the cost which Mr. Herron is anxious to find out?—A. You know that after you get the lumber into the car you have your fixed charges, office management and office salary, insurance on your property, interest on the money you borrowed from the bank, capital on your operations and so on. Insurance is quite a large item—you have got to keep properly covered by the insurance companies to protect yourself and then there is taxes and maintenance. These are all things that go in in addition to the cost of the lumber when you get it into the car. Now, then, Mr. Kendall has gone over our last year's operations and he has shown that they netted us some seventy-seven cents a thousand. That is, insurance, taxes and maintenance being added, to the cost of \$12, or about \$12.50, with the difference of seventy-seven cents, makes the \$15.90 or \$16.10 that we obtained.

Q. You say your mill was one of those Mr. Kendall gave us the figures about?—A. Yes, you have a statement here of our operations. He was working on our accounts.

Q. I remember one mill where the profit was, as you say, seventy-seven cents?—A. I think it was our mill.

Q. Mr. Kendall gave us these particulars and the full accounts with reference to the mills?—A. We just have one mill at Arrowhead.

By Mr. Lancaster:

Q. Then you mean, this other amount you have spoken of would be about \$4 a thousand?—A. No, it would amount to about the sum of \$3.

Q. Leaving seventy-seven cents?—A. Yes.

By Mr. Herron:

Q. Have you very large limits?—A. No, not as large as we would like to have. We would like to get more timber if we could.

Q. How long will your limits last that you are cutting on now?—A. I suppose we could cut our limits out in twenty years or thereabouts, provided none of them were burned. We have had a lot of our limits burned that we have bought from the government, and paid the highest cash tender for. That was up in the Dominion belt; and a lot of that timber was burnt.

By Mr. Galliher:

Q. It is not all roses then cutting lumber?—A. We have not found it so yet; we have not found any roses at all.

By Mr. Lancaster:

Q. That is why you 'rose' the price?—A. I should say not.

By Mr. Herron:

Q. From your experience and knowledge of freight rates do you think they are excessively high?—A. I have never found them so, Mr. Herron.

Q. You think they are fairly moderate, do you?—A. Yes.

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Mr. HERRON.—Then there is not much chance of a relief in that quarter? The freight rates will probably not be much less than they are.

The CHAIRMAN.—You would have to get expert evidence on that point.

The WITNESS.—We have not much to kick about in regard to freight rates. When I came through the Mountains and saw them hauling to Calgary for 18½ cents a hundred, with all sorts of engines shoving the freight, it seems to me that costs money.

By Mr. Lancaster:

Q. Then we can understand you have no fault to find with freight rates?—A. None at all.

By Mr. Herron:

Q. You heard the retailers give evidence here with regard to the prices they charged the consumer. Do you think the prices are excessively high or that they get undue profits in the handling of their lumber?—A. Well, of course, my experience in selling to the retailers is that we have lost thousands of dollars every year, and we have used every care in giving them credit that we could exercise. Every year we have lost thousands of dollars with these retailers who appear to be unable to pay us what they owe.

Q. That is not an answer—certainly not a direct answer to the question I intended to ask. You heard the retailer's evidence regarding the profits they received on the the handling of lumber, I was trying to get from you as a practical man, if you thought the prices were unduly high or that the retailers were getting too much profit?

By the Chairman:

Q. Perhaps I can help you in that matter with regard to a distinct case, as far as the papers show it, where the city of Regina was buying lumber. You heard that did you?—A. Yes.

Q. They were asked by the local dealers \$32, and they bought it for \$24. Would you consider \$8 too much profit for the dealers to make?—A. Well, I would think of course that was getting a good profit.

THE CHAIRMAN.—I should say so.

By Mr. Galliher:

Q. That is a little more than the lumber men are getting?—A. Altogether.

The CHAIRMAN.—That appeared to be a distinct case.

By Mr. Herron:

Q. You are then of the opinion they got too high a profit?—A. I did not say that, but I said it was a pretty good profit.

Q. According to these figures?—A. I would think that was pretty good business.

By Mr. McIntyre (Strathcona):

Q. You were saying a number of these dealers you had dealings with had failed?—A. We had to put lawyers after them and to publish in Dun's and Bradstreet's, and we had to pay cost of collection and lawyers' fees. Every year we have the same sort of annoying wind up to our sales.

Q. Do you think that is individual dishonesty or a lack of funds?—A. Oh, I don't know.

By the Chairman:

Q. The evidence we have had, so far as we have had it, and it certainly agrees with my view—is that the retailers do not lose much on bad accounts with the consumer?—A. Yes.

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By Mr. Lancaster :

Q. You lose by the retailers?—A. I am alluding to the retailers we sell to every year. We are dealing with new retailers every year.

Q. If they get their money all but five per cent, then it must be a very desirable business?—A. I don't want to make any charge here, but I know we cannot get the money every year; we lose it. Mr. Chairman, I would like to state that in the winter of 1905-6 we put in a lot of additional machinery and boilers in our mill with a view to increasing our plant. Last year our company spent a lot of money, about \$25,000, with a view of increasing the cutting capacity of the mill. We put in additional boilers, additional dry kilns, additional band saws, additional filing machinery, and everything that goes to balance up your plant when you are running it, and the greater part of last summer that plant stood idle, because we were unable to secure men to run the logs. That had the effect of considerably enhancing the cost of lumber produced, inasmuch as we had the fixed charges to meet, but we did not have a sufficiently large output to reduce the cost of what we did produce.

By Mr. Lancaster :

Q. I suppose it is fair to ask you, but you need not answer if you object, what dividend your company has been paying during the last two or three years?—A. We have never been able to get any dividend since we made our investment.

Q. No dividend at all?—A. We have paid no dividend on our operations since we began.

Q. How long have you been in business?—A. In 1902 we began building the mill and we commenced sawing in 1903.

By Mr. Herron :

Q. This stagnation, or whatever you have a mind to call it, upsetting the business in 1905 seems to have had a good deal of effect?—A. There was no stagnation in the consumption of lumber. There was a large consumption, but we did not get anything for it.

Q. It was the cutting of prices?—A. The cutting of prices. We never could get together to work for uniform prices, or do the business as I consider it should be done in a business way. We simply took that stuff out of the woods and gave it away and lots of us lost money on it; cutting up our best timber.

Q. You stated yesterday that condition was brought about largely or partially by the organization you had at one time getting demoralized?—A. That is more likely it. Our organization, that is the Millers' Association, previous to 1906 was absolutely dead; there was nothing to it.

Q. I thought it was in 1905. Was not that the time?—A. We did not do business until 1906. At the time the millers came together in Revelstoke to get a living price for their product. There was nothing done on that until the spring of 1906.

By Mr. Schaffner:

Q. You stated that in 1904 you practically had no association, if you had it was not operated?—A. Yes that was in 1903 and 1904 and all of 1905.

Q. You gave that as one reason—you were running your business at a loss?—A. Yes.

Q. Now since you have formed your association have you found that your business has been bettered financially?—A. Well we have found that we have almost got the cost of our lumber. That was the effect of our operations last year on a cut of about 14½ million feet.

Q. Will you tell me how that association has benefited you?—A. Simply by the millers maintaining their price for a common commodity. If a dealer wants to buy lumber at our list price he will get it from us at the same list price as from any other

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mill in the Mountains who belong to the association; he can either buy it from us or from any other mill. We endeavor to give him the same common grade that he will get elsewhere and at the same price.

By Mr. Galliher:

Q. In other words you have adopted a uniform charge or rate?—A. Yes, and we are trying also to make it a profitable charge before we are through with it.

By the Chairman:

Q. That is the principal object?—A. That is the principal object of my belonging to the association.

By Mr. Lancaster:

Q. Have your operations for the last year been made up and will they show a dividend earned last year?—A. We cannot pay a dividend on 77 cents a thousand. We have got to charge a lot for maintenance of plant each year.

Q. Your last year's operations will not pay a dividend?—A. Certainly not.

By Mr. Schaffner:

Q. I have just a few more questions and I will be through. Does your association have joint meetings with the Retail Dealers' Association?—A. Never.

Q. You have not?—A. Never.

Q. You have nothing to do with them as to fixing prices?—A. We don't pay any attention to them.

Q. They never sent a delegate to your association?—A. It was brought out that Becker went down there to make some kick that I don't really know anything about and paid no attention to. The millers of the Mountains came together and discussed the matter utterly regardless of anybody else. If we want to hold meetings to discuss the situation we don't call in any of the Coast fellows nor the retail dealers.

Q. Nor the retail dealers?—A. Nor the retail dealers.

Q. You sell lumber to any retail dealer whether he belongs to the association or not?—A. Yes.

Q. Will you sell to a man who leaves the Retail Dealers' Association?—A. Yes, I will give him all the lumber he can buy if we have it.

Q. You won't sell to contractors?—A. We never have and we don't want to and I hold that it is not good business to do so. In the past we have never sold a car to contractors or consumers.

Q. Have you any basis of profit laid down by your association?—A. Profit on our operating?

Q. Have you any basis of percentage for profit laid down by your association?—A. No. I never heard of that at any time.

Q. You have one mill you say?—A. Yes.

Q. About how much is your output?—A. If we get the logs to run the mill with we can cut from 125,000 to 150,000 feet a day.

Q. That would be how much?—A. About $4\frac{1}{2}$ million feet, but we cannot run our plant at its full capacity for want of labor and logs.

Q. But that is the business that was done?—A. Yes, with labor and logs we could readily cut 30,000,000.

By Mr. Knowles:

Q. I want to understand why it is not business to sell to a contractor, even if he has the money in his hand?—A. I look on it that the contractor can buy from the dealer right in his very town.

Q. At an addition in price though?—A. Well, of course I don't know anything about that.

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Q. That is not your concern, what he can do?—A. I don't care anything about what he is doing.

Q. Why is it not your business to sell to a contractor if he is prepared to pay cash?—A. I have never had a case of a contractor who came to me with any money and said he wanted lumber. I would not give a contractor credit because these fellows have no rating at the rating agencies and we don't know anything about them. If he has got a lumber yard, however, that man has got a rating at Bradstreet's or Dun's.

By Mr. Schaffner:

Q. Is that the reason you do not sell to them?—A. That is one reason.

By Mr. Lancaster:

Q. He has got to be all right financially?—A. It is a reason that I don't know anything about the man. Apart from that I would not sell the contractors.

By Mr. Knowles:

Q. We are getting away from the point. If a contractor came to you with the money in his hand and wanted to buy lumber would you sell to him?—A. I don't believe I would.

Q. Why not?—A. Because he is not a dealer.

Q. He might not be an Indian either; the fact that he is not a dealer is not answering my question.

Mr. GALLIHER.—Would a manufacturer of tweeds or woollens sell to you or to him or to anybody who was not in the trade?

Mr. KNOWLES.—If he bought in wholesale quantities.

The WITNESS.—Long before this matter came up, and ever since we have been in business, we have pursued the policy of selling to the retail dealer. He is the man who buys our lumber and we look to him to buy it. He is a recognized dealer and handler of lumber and is conversant with the grades and with the ordinary lumber business.

Q. But you yourself say his charges may be exorbitant?—A. As I say, it is not a matter I am paying any attention to.

Q. If a man wants to buy lumber and comes to you with the money in his hand you won't sell to him because he is not a dealer?—A. That is exactly where I stand.

Q. Why will you not?—A. Because we are pursuing the policy of selling to the trade only.

Q. Why do you have that policy?—A. If we were to sell to every contractor, and to all the contractors and consumers that come along, why we would want an office staff as big as we require to run the mill, to keep track of that business.

Q. Not if they paid cash?—A. Yes, if they paid cash.

Q. And bought in wholesale quantities?—A. Well, we have never had a contractor of that kind ever appear before us.

Q. You said that they have never appeared before you. I wish to make it clear if they came with the money in their hands and wanted to buy in wholesale quantities, why you would not sell?—A. Because it is not our policy.

Q. Why would you not sell? To say that it is not your policy is not a reason?—A. Because we have adopted the policy, or I have for our business, that we will sell to the trade only.

Q. But why is that your policy?—A. As I have said we don't want to open up ten thousand accounts for that kind of business.

Q. But if a man comes with cash in his hand to buy lumber in wholesale quantities would that be opening up ten thousand accounts?—A. It would be if there were ten thousand repetitions of that kind of thing. That would be opening up ten thousand accounts.

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Q. Ten thousand repetitions would be the average business that you are doing with the lumber yard people for that matter?—A. We would have a very great deal fewer accounts in selling to the trade than we would in selling to contractors and to consumers.

Q. If a man pays cash do you call that opening an account?—A. Certainly.

Q. It would be making cash entries you mean?—A. It is opening an account and the whole thing is put through the books.

Q. Supposing a man wanted to buy six carloads from you and he gave you a bank draft, would you sell him the lumber?—A. Of course if he gave me a bank draft. if I felt like selling the lumber, I would not take his draft; I would just want the money from that man.

By Mr. Galliher:

Q. If I may interrupt, have you had any cases like that mentioned by Mr. Knowles, of men coming to you with drafts, that were not in the trade, that wanted lumber?—A. Not one.

By Mr. Knowles:

Q. He said that before Mr. Galliher, I am asking you why you would refuse them if they came to you for lumber?—A. Well, as I say, we are not selling to the contractors, we are selling to the retail dealers.

Q. Is it because your organization or association would not permit you to do so? Is that the reason?—A. Not for a moment. That never was talked of at any time.

Q. That never was talked of in the association?—A. Never, on any occasion known of by me.

Q. Was it ever talked of in the association?—A. It might have been, I would not say about that.

By Mr. Galliher:

Q. I suppose if you sell your lumber to a dealer you are not exercising parental care over all the rest of the world as to who may buy from him at his price?—A. We don't know anything about it.

By Mr. McIntyre (Strathcona):

Q. Supposing a farmer came, under similar circumstances to those mentioned by Mr. Knowles—simply a consumer—and wished to buy considerable quantities of lumber would you sell to him?—A. Not a foot.

Q. Notwithstanding the fact that he might be financially responsible?—A. Not if he had the money in his jeans when he came. As I say, we are selling to the trade and I will protect a dealer out here whether he belongs to the association or not. As far as I can I will deal with them only.

Q. Then your reason is largely—cutting out the bookkeeping part of it altogether—a sentimental one of giving protection to the dealer?—A. No, there is no sentiment about it at all, Mr. McIntyre, any more than there is in any other line. You cannot go and buy boots and shoes, on a wholesale scale from the manufacturers, you have got to go to the retailer on the street, who is running a store and get your shoes from him.

Q. Do you think that is a good thing for the consumer?—A. I have never thought about that at all.

By the Chairman:

Q. You have an association out there?—A. We have the Mountain Lumber Manufacturers' Association.

Q. Well, it appears to me that if this committee can show you as an association—who have such large interests there, as representing the lumber business—that what

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we have heard is true and that the retail man is charging \$8 a thousand, for instance, on common lumber, should there not be some consideration as to how to remedy that state of things?—A. Well, Mr. Chairman, I don't believe that the retailer in that country is getting \$8 a thousand, at all.

Q. I happen to have the evidence before me, Mr. Ludgate, and I know what I am talking about.—A. That is this one case of the city of Regina?

The CHAIRMAN.—This is the price list of a very reputable firm, and I am comparing it with the price list of a delivery of lumber from Rat Portage, and when the gentleman states that \$8 is charged, he was quite within the mark. I have only started at that matter this morning. This is a state of things, to my mind, that every good citizen, especially gentlemen who have such interests as you represent, ought to take into consideration and see if some means could not be devised whereby it would be remedied. That is all I have to say.

Mr. GALLIHER.—How can any association remedy it?

The CHAIRMAN.—The associations have very great control in these matters—that must be admitted—and even this association, which does not appear to be as firm as some others we may have before us, has for its object the raising or keeping prices up. That is the same thing. Now if it is discovered that what we have heard yesterday is really true, I think it is a very grave question for all the lumbermen to consider and see if something cannot be done to prevent the consumer being imposed upon in the manner in which he is at present.

By Mr. Lancaster:

Q. As a citizen, what would you say should be done now to remedy the state of affairs that the chairman mentions as existing, if it does exist?—A. It seems to me that if the retailers are making \$8 a thousand, it is a situation that tends to cure itself. If other dealers or other people should find out that these men are making such profits it will not be long before they will all open yards and we will supply them with lumber.

By the Chairman:

Q. They cannot?—A. As I have already stated, I will sell to any lumber dealer regardless of whether he belongs to the association or not.

The CHAIRMAN.—You miss my point. They can only open yards with the consent of the association.

By Mr. McIntyre (Strathcona):

Q. If any private dealer sending an order to you says he intends to become a dealer is that not sufficient guarantee to you to ship lumber to him?—A. I would not want to make a shipment to him unless he had a rating. I would want to know that he was bona fide in his proposition.

Q. Would not your information be secured—take it in Alberta, from the secretary of the Alberta Retail Lumber Dealers' Association?—A. Well, he of course could tell me something about such a thing.

Q. Did we not notice in his own evidence that his reply was somewhat evasive, in this particular, saying that the man was not a member of the retailer's association? Is that a sufficient reply for you, when you claim you will sell to any retailer?—A. No, if he says that the man is not a member of the Retail Dealers' Association that would not satisfy me in refusing to make him a shipment. If a man is going into the business to open up a lumber yard, naturally he has got some money, and naturally he would have a letter from the bank that he would be able to pay for the lumber and the freight as it is shipped to him. He would be able to show something that was bona fide as to his intentions, and until he could do so I would not ship to him at all. I would not think of it.

By Mr. Schaffner:

Q. Do you say or swear there is no by-law or agreement—as far as agreement is concerned we have had some experience of it, I don't mean any straight written contract but a verbal understanding perhaps—by which you were not to sell to others than dealers? Do you say there is not?—A. No, sir, I don't.

Q. I beg your pardon?—A. I don't swear that, or say it. What I say is this: That any man who has a rating as a lumber dealer and wants me to ship him lumber, we will ship it to him regardless of his being a member or not of any association on the prairies.

Q. There is an agreement that your association is not to sell to other than dealers?—A. I don't know of it.

Q. I asked you this question before. Do you say there is no law or agreement in your association not to sell to other than retail dealers?—A. I don't know. I don't know anything about the laws of the Mountain Millers' Association. All I know is we will sell to anybody who is a lumber dealer regardless as to whether he belongs to any association on the Prairie, to any retail dealers' association.

Q. That is not an answer to my question. I want to know is this matter not talked of in your association?—A. What matter?

Q. This matter as to whom you shall sell?—A. No, sir. I sell to the retail dealers in the Northwest.

Q. Will you state that you will not swear to this fact?—A. You asked me about the by-laws which I swear I do not know anything about.

Q. You don't know anything about the bylaws?—A. No, sir, I do not pay any attention to them.

Q. You know there is no agreement to that effect?—A. I know as far as I am concerned there is no agreement.

Q. You are a member of the association?—A. Yes.

Q. I suppose you would abide by the rules of the association?—A. Our main thing is to abide by the list price, we are trying to get from the prairie dealers in the Northwest.

Q. You make up the price list yourselves I suppose?—A. Yes, we do.

Q. Of course that is one of the things that is alleged, and I am simply asking in order to get the information?—A. All these alleged things—I would not undertake to—

Q. I am asking you whether it is so or not. It is alleged that you have by-laws that set the prices the mills shall sell at and they cannot sell at other prices?—A. We can sell at any price we want to. I have been offered more than the list price if I would ship orders.

Q. Not less, of course?—A. No.

By Mr. Lancaster:

Q. You say you have been offered higher prices than you have been asking?—A. Yes, sir.

Q. From a man with cash who is able to pay?—A. A man who had lots of money, yes.

Q. He offered you higher money for lumber than you were asking?—A. He wanted lumber very badly, and hunted the whole of the mills over to get it; he was willing to pay us in one case \$4 a thousand more than the list price.

Q. Why did you not take the offer?—A. I was not in shape to handle it.

Q. You had not enough lumber on hand to give it to him?—A. Had not enough on hand to give him. It was a matter of going into the woods and getting the stuff out, and we did not want to disturb the usual routine for an order for half a million feet.

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By Mr. Crocket:

Q. Was he a member of the association or a dealer who was not a member?—

A. I do not know just now whether he was a member or was not a member.

By Mr. McIntyre (Strathcona):

Q. What would you say in regard to the statement of one witness here that he bought from the Manufacturers at less than the list price?—A. That is Becker.

Q. Yes.—A. Well, I will tell you—there has been a lot of little mills out there which it seemed impossible to get to join the association and pay the legitimate expenses for starting the association who are willing to take a dollar off our prices in order to move their stock. They are willing to follow in our wake and take a dollar or something off our prices. We are protecting them and they are paying nothing for the protection. There is quite a few mills through the country that are in that position.

Q. Can they manufacture more cheaply than you can?—A. I don't know whether they can.

Q. Are there many such mills failing?—A. There have been quite a few that gone to the wall. I can cite a few in our country that went to the wall. There was one at Pingston Creek and the other was at Decew. They put in a mill and went broke and had to shut up.

Q. Do you think that is owing to selling at too low a price?—A. They could not make ends meet at the market price.

Q. You are acquainted with the constitution of the Mountain Lumber Manufacturers' Association?—A. No, sir, I am not. I never saw it at all.

By Mr. Lancaster:

Q. The secretary was instructed to draw some by-laws up?—A. I don't know whether he was. As a matter of fact I never pay any attention to the details of the association. That has been left to Wells. He is the secretary of our association and we pay him for it.

By Mr. Schaffner:

Q. How long is it since those by-laws were drawn up?—A. I could not tell you that.

By Mr. Herron:

Q. Were you at a meeting held at the Coast of the Coast Manufacturers' Association in 1906? There is a record of it in some of the minutes?—A. That is attending the forestry convention?

Q. Yes?—A. Yes, I was there.

Q. The question of fixing and maintaining prices was brought up at that meeting?—A. The question of raising common lumber was talked of; there was nothing about fixing prices or anything of the kind. The matter we talked of was raising common lumber, and I think it was agreed there that we would raise it. Some of the mill men did not see any use in raising the price because they said the logger came along afterwards and increased the price of logs right away. I remember that was part of the talk there.

Q. That was the joint meeting, and there was an arrangement made at that meeting that the two associations should work in harmony together?—A. As far as possible, yes, we were anxious to do that—

By Mr. Lancaster:

Q. Do you want to add anything?—A. I think in connection about lumber on the American side, and the facilities for lumber, there was rather a misapprehension.

Q. Getting that on the cars?—A. Yes. I think in connection with that I would

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like to state that some years ago I was in charge of lumbering operations in Michigan. We ran that plant for years and sold lumber at \$5 a thousand over the vessel and made money—\$5 a thousand.

By the Chairman:

Q. On account of the logs being handy?—A. We were getting logs at \$1.75 to \$2.50 a thousand and labour—we were getting the finest labour from \$1 to \$1.50 a day. Potatoes were selling at sixty cents a bushel.

Q. Do you mean that as a reason why lumber would be cheaper?—that all these things would be cheaper?—A. Speaking of the cost of putting lumber on the car being \$8, I have sold millions of feet there at \$5 a thousand.

Q. The cost of logs was so much cheaper?—A. Yes, everything was away down.

By Mr. Herron:

Q. Did you ever put up the price at any of your meetings or was there any resolution that you would carry out the prices on the price list?—A. It was always a matter of honour among the millers to try and keep the prices up. Last year, as I say, they only began to do it. Our great losses in operation have simply forced us to get together and try and obtain a reasonable margin or else get out of business; we would have to get out at the rate we are going.

The witness discharged.

Mr. P. LUND, Wardner, B.C., sworn.

By Mr. Lancaster:

Q. What is your full name?—A. Peter Lund.

Q. Where do you live?—A. Wardner, British Columbia.

Q. What business are you in?—A. The principal business is lumber, the manufacture of lumber.

Q. That is your principal business—What other business are you in?—A. The coal business.

Q. How long have you been manufacturing lumber?—A. About four years.

Q. Is it a company you are concerned in?—A. Yes, sir.

Q. What is the name of it?—A. The Crows Nest Pass Lumber Company.

Q. Are you manager of it?—A. Managing director. Yes, sir.

Q. Where is it situated? At Wardner?—A. Yes.

Q. Has the price for selling lumber increased in the last year or two?—A. Yes.

Q. How much was in it 1906 for instance?—A. Well, that I cannot tell. But speaking approximately probably \$5 a thousand.

Q. You got an increase in price of \$5 a thousand in 1906 over what you got in 1905? Why did you charge more in 1906 than in 1905?—A. Well, there are several causes. I have some notes here and if I may be permitted I would like to read this statement. There are so many causes and so many conditions that it might be of some assistance to you gentlemen.

Mr. LANCASTER.—I have no objection.

By the Chairman:

Q. You have the statement prepared?—A. Yes.

Q. You had better read it then?—A. (Reads):

‘In order that we may fully understand the present situation it will be necessary to have a brief outline of the conditions as they existed from the days of the construction of the Crow’s Pass Railway up to the present time.’

I am speaking principally of the conditions in my own district.

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By the Chairman :

Q. The Crow's Nest Pass ?—A. Yes.

Immediately after the construction of this railway a number of small portable mills were erected for the purpose of supplying construction material and supplying lumber for local requirements. These mills were usually placed in the most desirable timbered districts and where lumber could be produced at a minimum cost.

When the railway had been completed and the local requirements for the small towns that had sprung into existence incident to the construction of this railway had been supplied, these lumbermen were compelled to look for other markets. Their natural market was the Northwest Territory and Manitoba, the former now Alberta and Saskatchewan. The Americans were at that time supplying a large portion of the requirements in these districts. There having been previous to this period large bush fires in the State of Minnesota immediately south and east of the Province of Manitoba, the timber remaining on this burnt area was considered unfit for ordinary merchantable lumber. It being found, however, that a large quantity of cheap lumber was required in the Northwest, a number of portable mills were erected for the purpose of cutting this timber, which found a ready market in Manitoba and the Northwest Territories at a lower price than that prevailing at that time in American markets and also in the markets of western Canada for ordinary merchantable lumber. These conditions were the means of at that time establishing lower prices on lumber in Manitoba and the Northwest Territories of Canada than could be produced under ordinary conditions.

The lumbermen of Southern British Columbia referred to above, were compelled at that time to meet the prices then existing in the localities mentioned in order to dispose of their product. This condition established at that time prices that were actually below the cost of production even under the favourable conditions existing at that time. As the settlement in the Northwest increased there naturally became a corresponding increase in the demand for lumber. Timber at that time being available within easy reach of the railway the number of mills gradually increased. It was found, however, that the prices obtained by the manufacturer of lumber in the interior of British Columbia was not sufficient to meet the cost of production. Efforts were made from time to time by the manufacturer to obtain higher prices, it being impossible, however, to convince the dealers of the necessity of paying prices for lumber other than those prevailing at that time. The condition other than those prevailing at that time. The condition of the manufacturer became desperate. There being no money made in the lumber business, the banks refused to make the necessary advances enabling the manufacturers to continue and to increase his output to correspond with the steadily increasing demand for lumber caused by the increased increasing demand for lumber caused by the increased number of settlers locating in the Northwest.

During this period an association of the retail lumbermen of Manitoba and the Northwest Territories came into prominence, called the Western Retail Lumbermen's Association with headquarters at Winnipeg.'

By Mr. Herron :

Q. When was it ?—A. Just after 1897. You know as well as I do when the Crow's Nest Pass Railway was built.

One of the objects of this association being to prevent too many dealers of lumber yards being established at the different points where in their opinion there was not sufficient business to justify additional yards being established, and to confine the retail trade if possible to the members of the association. The manufacturers of lumber of British Columbia and also those in the districts east and north of Winnipeg were admitted to the association as honorary members. Those manufacturers were expected under this arrangement to confine their sales to members of the Western Retail Lumbermen's Association. The lumber manufacturer of British Columbia con-

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tinued to sell his lumber at less than actual cost, in fact the mill men were compelled to sell in order to operate, regardless of price, there being at that time no uniformity in the wholesale price of lumber. It also became evident to the manufacturers and also to the officials of the Canadian Pacific Railway that the dealers at points where there was no opposition were enabled under the arrangements made to obtain any price for lumber that they might desire irrespective of the manufacturer's price.

By Mr. Galliher:

Q. That was at that time?—A. Yes.

These conditions led to a joint meeting of the manufacturers and dealers which was held in Winnipeg to the best of my recollection in February, 1904, Mr. William Whyte, then manager of the western lines of the Canadian Pacific Railway with headquarters at Winnipeg, issued an ultimatum to the lumbermen stating that unless prices of lumber were regulated and placed on a more equitable basis to the consumer, that the Canadian Pacific Railway Company owning large quantities of standing timber in British Columbia would erect sawmills and undertake to distribute lumber at the different points on their railway in Manitoba and the Northwest Territories at cost. In a discussion which took place between Mr. Whyte and the manufacturers, it was thoroughly demonstrated to the railway company that the prices obtained by the manufacturers were not excessive. It was agreed however for the purposes of conciliation that the railway company should refuse the then existing freight rate between a point near Moosejaw, Saskatchewan, and Winnipeg, Manitoba, to the equivalent of 50 cents per thousand on lumber shipped into that district, and in consideration of this reduction being made by the railway the manufacturers agreed to make a similar reduction on their then existing price list upon the distinct understanding that the actual consumer was to obtain the benefit of the joint reduction and that the wholesale delivered price lists be publicly posted at each point.

That is the stations of the railway.

I wish to point out that the manufacturers price lists or the wholesale prices of lumber listed at that time being sufficiently high to allow the producer of lumber a fair profit. But up to this time, however, the price list or lists had been absolutely inoperative, it having been found impossible to obtain or maintain a uniform wholesale price which resulted in many mills going into liquidation and being forced out of business.

At the joint meeting in Winnipeg, above referred to, the manufacturers decided to withdraw their honorary membership from the Western Retail Lumbermen's Association, it being their intention to maintain a manufacturer's association independent of the dealers for the purpose of obtaining reasonable prices for their material and for the purpose of placing their industry on a more stable and satisfactory basis.

The manufacturers in the interior of British Columbia were found however to be in such a deplorable financial position and involved and demoralized to such an extent that while several attempts were made to organize and establish and maintain fair and uniform prices, these attempts were met with failure in accomplishing any satisfactory results. It was not until some time in 1905 that a meeting held by the manufacturers at Revelstoke, B.C., it was decided to form an association confined strictly to the manufacturers of lumber in the interior of British Columbia, for the purpose of placing their industry on a more satisfactory and solid footing. At this meeting Mr. George P. Wells was appointed to take charge of the association, and act as secretary and treasurer. At this meeting a price list governing the selling price of lumber by the different mills located in the district covered by the association was made, the same being called the Mountain Lumber Manufacturer's Association of British Columbia Price List.

From this time on the wholesale prices of lumber became more stable. The association assisted the smaller mills in marketing their products at the same price that was realized by the larger manufacturer; in other words, the mill were no longer dictated to by the retail trade, the mills whether large or small. The price asked by

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the manufacturer at that time was considered satisfactory, and in the opinion of the association or the members thereof was sufficient to allow them a reasonable profit on their business.

By Mr. Galliher:

Q. That has obtained since 1905?—A. This was sometime in November, I think or December, 1905. I think Mr. Wells explained the date of that meeting. It was soon found however that this was not so. The timber tributary to the mills and the railway was rapidly being exhausted. That which was not cut and manufactured into lumber was being destroyed by bush fires, some being set by the locomotives from the railway, and others caused by prospectors, campers, fishermen, etc. These fires running through the districts where logging operations had been conducted and where railway ties had been cut for a number of years, caused great damage and destruction and practically denuded the district within ordinary access from the railway of all merchantable timber. In other words the manufacturer found himself invariably with a partly worn out saw mill and without a supply of standing timber. In the face of a very rapidly increasing demand for lumber in their natural markets, Alberta, Saskatchewan and Manitoba. Under these conditions it became absolutely necessary to recognize the industry with a view of operating upon a much larger and more permanent scale. It became necessary to invade the isolated districts along the main rivers and their tributaries for the purpose of obtaining a supply of logs. Wagon roads had to be built, many miles into the interior for the purpose of transporting supplies to the different logging camps at great expense; in many cases these wagon roads cost as much per mile as the cost of the average railway in Manitoba and the Northwest. It then became necessary to improve the rivers and the tributary mountain streams so that logs could be driven in them to the respective mills. Hundreds of thousands of dollars have been invested in these improvements during the last few years. In order to justify this great expenditure of money it became absolutely necessary to erect larger mills, heavier and more modern equipment. A great proportion of this new machinery had to be brought from the United States under a duty of from 25 to 35 per cent, thus enhancing the cost of the mills to a much greater extent than the cost to our neighboring lumbermen across the border. In the meantime nearly every item used in price to a much greater extent than the corresponding increase in the price of lumber. For instance in 1898 to 1903 railway ties were obtained by the railway company, delivered on their right-of-way in the Crow's Nest Pass district at 16 cents each: at present the company are paying from 30 to 35 cents per tie. Notwithstanding the fact that they are the owners of nearly two-thirds of the timber area of this district. In 1900 to 1903 the coal mines were obtaining their mining timbers at 1 cent per lineal foot. Today they are paying for similar sizes and quality 3 cents per lineal foot notwithstanding the fact that the coal companies, especially the Crow's Nest Pass Coal Company, Limited, owns thousands of acres, covered with timber suitable for these purposes. In 1903 horses were obtained readily in Alberta at from \$100 to \$125 each. In 1906 horses suitable for logging purposes were very difficult to obtain at from \$225 to \$250 each. From 1900 to 1903 timothy hay was obtained at Pincher Creek, Alberta at from \$3 to \$10 per ton. In 1904 we paid \$12 per ton, in 1905 \$14, and in 1906 \$16 to \$17 per ton.

By Mr. Herron:

Q. At what season of the year?—A. Some time in December, the latter part of December. These are the prices we contracted for and there has been no hay bought for less in any of those years by me.

Q. On the cars at Pincher Creek?—A. Yes. Band cars are a very heavy item in connection with the manufacture of lumber and are subject to a duty of 30 per cent. This was overcome in the past by shipping in blank saw blades from the United States free of duty, enabling the mill by installing the necessary machinery to manufacture and fit up their own saws. Since a duty has been placed on saw blanks by

the Dominion government, December 1, 1906, the cost of production in the lumber output in the interior of British Columbia has been increased to the extent of approximately \$50,000 per annum. Common labour, such as lumber pilers, teamsters, loggers, and loaders were paid in 1900 to 1903 \$30 per month and board. This class of men are now being paid from \$45 to \$55 per month and board, and only about one half the necessary supply available at any price, resulting in large quantities of logs being left in the woods during the present season owing to the absolute inability of the lumbermen to procure the necessary help.

Band saw filers are now obtaining \$10 per day. Prior to 1904 those positions were filled at from \$6 to \$7 per day. Sawyers are now obtaining \$7 and \$8 per day. Prior to 1904 they were paid \$5 and \$6 per day. All other skilled help has increased in price of like proportion. Mill superintendents that were paid \$125 per month in 1904 are now obtaining \$200 per month and board. The salaries of cooks have increased from \$60 per month in 1904 to \$90 and \$100 per month in 1906, and are very scarce indeed at that figure. Not infrequently whole camps are at a standstill on account of a cook leaving his post and another not being available.

By Mr. Lancaster:

Q. What do you pay?—A. The common ordinary camp cook from \$90 to \$100 a month and we thank him very much in addition.

Q. What did you use to pay?—A. We paid \$60 a month; that was the minimum. Now we don't get any for less than \$90.

Large numbers of horses are frequently idle consuming food and being otherwise cared for on account of teamsters not being available.

The supply of standing timber in the interior of British Columbia has been greatly over estimated and exaggerated, and only about 12 per cent—this is important—of the area east of the Cascades Mountains contains merchantable timber. A considerable portion of this can only be logged at a cost practically prohibitive—on these steep mountain sides.

Lack of adequate transportation facilities is also the means of greatly enhancing the cost of production of lumber. The lumbermen have erected at a great expense planing mills equipped with the most modern machinery and manned with the most skilled labour obtainable. The car supply is such that these plants can only be operated a portion of the time. The lumbermen dare not discharge their men, if they did when a few cars were available they would not be in a position to load them. One mill alone on the Crow's Nest branch of the Canadian Pacific Railway had on hand on December 1, 1906, 700 cars of lumber on order and ready for shipment. The railway company were notified that this lumber should be moved during the winter months, but up to the present date only about 100 cars have been shipped. All this time a crew of men have been held by the mill company for the purpose of handling and loading this material. The dealer, building contractor and consumer are now clamouring for their material. I consider that owing to the scarcity of railway cars and the lack of transportation facilities alone, the cost of lumber delivered in Alberta, Saskatchewan and Manitoba has been increased at least \$1 per M. and among the Mountain mills alone the increased cost from this source during 1906 has been over \$250,000. Notwithstanding this fact the railways are doing their utmost to relieve the situation.

As the supply of standing timber decreases, lumber must necessarily become correspondingly higher in price under the most normal conditions.

Lumber on our great western prairies must necessarily be high, even though the conditions of trade be absolutely normal, notwithstanding the fact that this product is now being hauled by the railway companies at the exceedingly low rate of approximately three-quarters of one cent per ton per mile. As the lumberman continues his operations the value of his property must steadily decrease as he has only one crop of timber to harvest, which is continually in great danger of being destroyed by fire; while he is operating his plant the same is gradually wearing out and growing more

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and more out of date. On the other hand the farm lands on the prairie which have been donated to the farmer of Alberta, Saskatchewan and Manitoba, have steadily increased in value so much so, in fact, that in ten years time these lands have increased from the price of a homestead to \$30 or \$40 per acre. On these lands a crop of wheat can be raised annually. The value of our average wheat crop on our western prairie is very nearly equal to the one only crop of timber available by the lumbermen from the timbered area of the interior of British Columbia.

What western Canada now requires is approximately ten thousand men who are willing to do a fair day's work in connection with the production of lumber and in the construction of railways at a fair and reasonable rate of wages. And unless these are supplied forthwith there can be nothing to prevent the cost of lumber from steadily increasing or to prevent transportation facilities in the movement of lumber, coal and grain becoming further demoralized and inadequate.

Under a condition where one-quarter of a million people are annually settling in our great Canadian west, where fuel and shelter are so essential to the happiness and welfare of the settler, and where his very existence must depend upon the woodsmen, who must climb the Rocky Mountain sides of British Columbia and labour and wade to his waist in the icy waters of its streams in order to make life possible for the farmer; the coal miner who must labour in darkness and in the poisonous gasment and other dangers incident to the production of coal in order that the settler and farmer may keep from freezing, and the trainmen who night and day are laboring and endangering their lives in order that the products so essential to the happiness and comfort of the settlers upon the prairies may be available, it is unbecoming of our prairie friends and it is not in common with our great western spirit to complain as in this instance especially when lands and lots and other property of theirs doubles in value each year and where every man, woman and child may become independent with but a meagre effort. This inquiry is under the circumstances absolutely uncalled for and unnecessary. That which is necessary is to forget that we are politicians, forget that we are farmers, lumbermen or coal miners, and remember always that it is incumbent upon us to be men with one common object to develop Canada, to be Canadians, and not to live in a house divided against itself.

By Mr. Lancaster:

Q. Taking up your last statement. Just as an ordinary Canadian, irrespective of any particular business, what would you say, is a fair price for the retailer to charge for his lumber?—A. I would consider on common lumber, that is as far as my experience goes in the retail business or in the handling of lumber, about 20 per cent gross would be sufficient profit to meet all conditions.

By the Chairman:

Q. You have pointed out in your very excellent paper, the very difficulty that I had suggested a moment ago, that as a result of this association which was formed you enabled a man to control the trade of a certain district and have charged what he liked for his lumber. Now it appears to me that does not flatter the British Columbia manufacturer. Nevertheless it is a great difficulty you are face to face with. What you suggest is that a man who could buy his lumber for \$24 ought not to be charged \$32 for it. I want to ask you—you have already stated it in your paper—has that not been the result of the formation of this association, to which we refer more or less?—A. Well, to answer your question it would be necessary to explain again that the manufacturers found a condition at one time—

Q. I am referring to the particular point that is very well brought out in your paper; that you found when you got together, a retailer in a certain district of which he had control was enabled to charge an exorbitant price on lumber. That is exactly what we are dealing with?—A. I want to explain—Mr. Greenway—that the outcome of this meeting at Winnipeg and the discussion between the officials and the lumbermen

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was that a list showing the wholesale price of lumber delivered was posted up in every station between Winnipeg and Calgary.

Q. I know that?—A. It has enabled the consumer or farmer, or whoever he was, to see exactly what the whole sale price was.

Q. Exactly, but you see they are not going to remedy the difficulty, if, when the purchaser goes to a dealer, the latter asks him \$7 or \$8 a thousand more?—A. I am not here explaining any particular part or portion of the country or any particular trade; I am here stating facts in connection with the manufacture of lumber.

By Mr. Lancaster:

Q. You would not object to giving us your opinion?—A. No, sir, not in the least, my opinion is that if these conditions do exist that where they exist they must be remedied.

The CHAIRMAN.—There is the whole point.

The WITNESS. But I know this much; that where there is one, two, three or four lumber dealers in one town, where the country is growing up, there is enough business developing for each of the dealers, and I have never yet had occasion to believe or infer that there was any other than a lively competition in those places. Of course where there is one isolated yard and very much territory to supply why a man can ask his price and probably get it.

By Mr. McIntyre (Strathcona):

Q. But Mr. Lund we were told that the local dealers got together and agreed to charge a uniform price?—A. Well, perhaps they do, I don't know anything about it.

Mr. GALLIHER.—At a meeting in 1905, at Revelstoke, they formed the new association and broke away from the retailers and had no connection or concern with them.—that is so far as the lumbermen are concerned

The CHAIRMAN.—I am not finding any fault.

Mr. GALLIHER.—That is what he refers to when he speaks of the conditions.

The WITNESS.—Mr. Greenway, I am only too anxious to give you any information that I can consistently.

The CHAIRMAN.—I only ask you for your opinion.

By Mr. Galliher:

Q. Let me ask a question that will probably bring out the facts. Take a town in which a retail lumber yard and the owner is a member of the Western Retail Lumbermen's Association. Supposing I as an independent man, wish to go in there and establish a yard and my rating is good, or you know from inquiries that I am competent to pay for what I get, are you prepared to sell to me?—A. Yes, to anybody that has got the money and has a lumber yard.

The CHAIRMAN.—That is not the question at all. The question is for you to get started.

By Mr. Lancaster:

Q. You have delegates to your association, did you not? complaining that you were selling to men not in the Retail Dealer's Association? Are we to understand that the statement you have submitted is sworn to by you?—A. That statement is based upon facts.

Q. Have you signed it? Is your name upon it?—A. No.

Q. If your name is not on it will you please sign it so that we will have no doubt what it is?—A. Certainly (signs the statement).

Q. I want to know what was the nationality of those cooks you paid, were they Chinese or white people?—A. They were white cooks.

Q. In both instances?—A. In all instances.

Q. In all instances your comparisons are not between white men and Chinamen?—A. No, sir, we have never had a Chinese ~~cook in a logging camp~~

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Mr. Herron: -

Q. One of the last statements you made in the paper you submitted was that farm lands had gone up \$30 or \$40 an acre in two or three years. Is that a sworn statement?—A. I think I said in ten years—I can prove that.

Q. Do you think it is true?—A. In some cases, yes.

Q. In an isolated case, I suppose?—A. It depends on the land, of course.

Q. You would not say that land has gone up to that price on the average?—A. I suppose the committee will judge that matter themselves.

Q. I would like to know from you? Had you the knowledge when you made that statement?—A. Yes, I saw several sections of land that were sold at Claresholm at \$30 an acre before I came away.

By Mr. Lancaster :

Q. How far from the city?—A. From one to ten miles. Some of it was out five or six miles.

Q. Close to the city?—A. Yes.

By Mr. Herron :

Q. Valued at \$30?—A. Yes.

Q. No land out on the ordinary prairie is selling at \$30 an acre?—A. There is land around Indian Head according to our friend Mr. Grogan. He told me that there land was worth \$30 an acre. That is not general, but nevertheless it is a fact that land is selling there from \$30 to \$40.

Q. You led the committee to believe, at any rate that was the way I took it, that \$30 was the average increase in price. You also stated that land had been doubling in value every year. Is that a fair statement from your knowledge?—A. Yes it is in a great many instances.

Mr. Lancaster :

Q. That would be saying it was worth eight times as much in two years?—A. I do not say that continues indefinitely. It is two or three years in succession.

Q. Your statement would mean that the value multiplies 16 times in four years. Is that what you mean?—A. We don't take it for granted it will do that indefinitely, but it has been so in that country.

Q. That land only four years ago was worth only one-sixteenth of what it is now?—A. I know of land that three years ago was worth only \$3 an acre and is now selling from \$25 to \$30.

Q. That is not the ratio that you are speaking of? In five years the value of the land is as \$32 to \$1. Is that what you mean, that it doubles every year or that it has increased a certain proportion?—A. It has doubled from one year to another.

Q. In three or four years?—A. I do not say four years. I say two or three years. I say that land that was worth at Claresholm—that four years ago was bought at \$5 an acre from the Canadian Pacific Railway is to-day worth \$30 an acre.

Q. How long ago?—A. That is, of, course, not raw land. Improved lands are worth \$30.

Q. The ratio of increase would be \$20 in two years, \$40 in three years, and \$80 in four years?—A. I have stated this condition exists. But it is not going to exist indefinitely.

Q. How long has your mill been running?—A. About four years.

Q. Have you paid dividends each year?—A. Never had a dividend yet.

Q. You never made any profit for your shareholders?—A. There has been a little profit made I believe, but it is required and utilized in the business.

Q. Is the capital paid up?—A. Yes.

Q. Is it Canadian or American capital?—A. It is Canadian capital.

Q. All paid up?—A. All of it.

Q. It is all paid up?—A. Yes.

Q. What is the amount of capital?—A. The capital is \$250,000.

Q. All paid up and no dividend has ever been paid?—A. There was no dividend ever paid.

Q. What profit did you make last year?—A. Well, I don't know as we made any profit last year.

Q. You got \$5 a thousand more for your lumber than you had before on the average; what profit did that give you for your shareholders?—A. I don't wish to convey the idea that we got \$5 a thousand more last year than we did the year before. The fact is that the wholesale price was \$5 a thousand more in December, 1906, for instance, than in December, 1905. There was a rise in the price of lumber during the latter months of 1906, but we had our office full of orders during the entire season so that the last two or three advances in the list did not affect us any.

Q. It has been stated by people on both sides of the question that there were two advances amounting to \$4 between December and March?—A. Well, I don't know anything about that.

Q. You would not get the benefit of these increases until next season?—A. No, sir.

Q. And the orders that were filled in the early part of the year would be filled at the prices quoted before these increases?—A. You see we have to fill afterwards the orders that have been accepted.

Q. What profit did you make? If the price was \$5 higher were you selling at a loss or selling at a profit when you got this additional rise?—A. I have not got a complete statement, Mr. Lancaster.

Q. I am not asking you what it amounted to in dollars and cents or what the aggregate of your business was—not at this minute at any rate—what I was asking was the percentage of profit. What were you selling before the \$5 would be added to it?—A. The net price received for our lumber in 1906 was \$15.46 per thousand.

Q. And how much the year before?—The year before I have not got the exact figures, but I think it was \$11.13.

Q. \$4.33 difference on the average?—A. Yes.

Q. Were you selling at a profit when you were selling at \$11.13?—A. No, sir.

Q. Were you selling at a loss?—A. Yes, sir.

Q. How much loss?—A. I don't know what the loss was exactly.

Q. Can you tell us whether you were selling at a profit when you sold at \$15.46?—A. Yes, we had a slight profit on those figures.

Q. What do you mean 'slight profit'?—A. Something like \$1.10.

By Mr. Herron:

Q. Did you, or did you not, deliver lumber in Calgary, about the year 1905, for \$14.50 a thousand?—A. Yes, we delivered number 2 boards, and probably number 2 dimensions, that is elevator stock and culled stuff for about \$14.50.

Q. What would you lay down the same stuff in the yards in Calgary in 1906 for?—A. I will have to consult the price list.

Q. Are you not laying down lumber there, in Calgary, at \$22?—A. Well, our price at Calgary at the present time for 4 inch boards is \$16.50, for 6 inch boards \$18.50, for 8 inch boards \$20.50, for 10 inch boards \$21.50 and for 12 inch boards it is the same, \$21.50.

Q. In the case of the 8 and 10 inch boards is that not an average quality of stock?—A. I suppose 8 and 10 inch boards are about the average.

Q. Of fair quality?—A. When you say fair quality, I don't want you to infer that it is the average quantity of stuff that we get from our mills because in our small timber we get more narrow boards than they do at the coast or those places in the interior of British Columbia. In our district the timber is very small: it only runs from five to seven thousand to the acre at the very best on the average.

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Q. Would it be about the same quality of lumber? that was delivered there in 1905 and sold for \$14.50 a thousand?—A. No, sir. I will show you what it was if you let that question go until after Monday. I will get the particulars.

The committee rose.

FRIDAY, March 22, 1907.

Committee resumed its sitting at 3.30, p.m.

The examination of Mr. PETER LUND resumed.

By Mr. Galliher:

Q. Just one thing that occurred to me. I hardly understand this suggestion in connection with what the chairman brought out this morning about some means of remedying the evil where a yard is owned by a retailer who can practically charge anything he likes, if he is so inclined. It struck me that I would like your idea as to whether it would be possible for the millmen, as an association, to do anything in keeping down these evils, by way of regulation with regard to overcharges. If they could send a man to a point to find out if there was any overcharge and so get a reasonable rate, such as you will get in another yard?—A. I would like to say in connection with that that the meeting that I referred to in my brief as held in Winnipeg where we made certain reductions in prices, it was understood, and I believe it was one of Mr. White's motions, that the retailers should confine their margin to 20 per cent on common lumber. I think I am not mistaken and that the dealers themselves were represented at that meeting and agreed to that condition. Of course, it is difficult for me to state any plan by which the manufacturers could take upon themselves the remedying of matters of that character without being more or less in touch with the other association which we don't propose to be.

Q. My idea was this. It struck me that it might be in the interest of the manufacturer that such conditions should exist, and that it would give him a regular market for his lumber?—A. As near as I can ascertain in Alberta, I am speaking only of Alberta, that margin is practically carried out. At least in a majority of instances they are charging about 20 per cent as a gross profit on common lumber, and on the high grade lumber, finished sash and door, and that sort of thing, they are charging more. That is that they are charging more on the more expensive classes of lumber on which there is a very great loss in carrying stock.

Q. I was just trying to get your ideas as to whether it might not be possible to get means for checking some of these attempts by unscrupulous men. I am not saying that they are unscrupulous, but supposing unscrupulous men were taking advantage of customers?

By the Chairman:

Q. Would it not be a ground of complaint against the millman if such a state of things existed. That is a point that some of the millmen, I think, are trying to argue?—A. I think that the cause of complaint that existed some time ago is very rapidly remedying itself at least in Alberta, because it is so near the mountains and so near the mills that lumber is easily got on the ground. There are thousands of people going into that district for the purpose of getting into business and in that way the things that existed are being remedied rapidly.

Q. Can you give us some idea as to what proportion of the business of the mountain mills is done in Alberta. Is a larger proportion of it done in that province?—A. I think that 80 per cent of the output of the mountains is marketed in Alberta. Some lumber goes through to Manitoba and Saskatchewan, but there they are in a position to get lumber from the northern mills, the spruce mills of the Prince Albert district and the Rainy River mills on the east and south, and we don't consider that we are

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entitled to the business, and on the other hand the other people consider that we are entitled to keep out. As a matter of fact the freight regulates the matter, for the rates vary very considerably.

By Mr. Herron:

Q. I asked if you were interested in these line yards in Alberta?—A. Well, do you mean, am I personally interested or the company?

Q. Your company?—A. The Crow's Nest Pass Company have no interest whatever except in the manufacturing business.

Q. Are you not directly interested with some of the yards in Alberta?—A. Yes. Not only that, but I have been compelled to become interested in some yards, and to put my money into it, and ask my friends to put money into it, to help them out, for they were practically gone to the wall for the lack of capital, and I reorganized two or three companies in which I am a shareholder.

Q. Where are they situated?—A. One is the Rushton Lumber Company, Kamloops, Alberta, and this company have also a store at Balf.

Q. Have you one at Calgary also?—A. I have a third interest in a yard at Calgary.

Q. Your agent there is Mr. James, is it not?—A. Mr. James is the manager of the Breckenridge Lumber and Coal Co.

By the Chairman:

Q. That is the company in which you have a third interest?—A. Yes.

By Mr. Herron:

Q. Is there any penalty in this Mountain Mill or Coast Association for its members breaking the rules?—A. Not to my knowledge.

Q. No penalty of any kind?—A. No.

Q. Nothing of that kind put into effect?—A. There is no penalty.

Q. I might say, Mr. Lund, here is a small article that appeared in the Calgary paper:

'We might also direct attention to a letter recently written by Peter Lund (of the well-known Calgary firm of Breckenridge & Lund), to a local retail lumber merchant. In this letter Mr. Lund stated that he, as a manufacturer, had deposited, according to the rule, a marked cheque for \$1,000 with the Mountain Lumber Manufacturer's Association (head offices at Nelson, B.C.), as a guarantee that he would not break prices, alter terms or sell to any retail lumber merchant or, in fact, to anyone whatsoever outside the association.'

What do you say to that statement?—A. That statement is not so.

Q. You never wrote a letter of that kind?—A. Not that kind of a letter.

Q. Then the man who has had this letter or from whom this authority came states what is not true?—A. He has no authority to produce the letter.

Q. You have stated that the company met several times with this association at the different places. At the Coast you have been a delegate of the Mountain Mills Association, at the Pacific coast?—A. I believe I was at one time.

Q. Met there, I suppose, to advance the general interest of the lumber business?—A. At that time I was a delegate at the Coast to advance the general interest of the Mountain lumbermen.

Q. In the interest of the Mountain Mills Association?—A. Yes.

Q. You brought up the question of price lists at these meetings, did you not? That was one of the questions brought up at this meeting at the Coast?—A. I do not remember whether there was a price list brought up at that time or not.

Q. Here are the minutes of the lumber mills branch held in the association rooms December 21, 1905. I do not know where these association rooms are, it does not state here. This is a minute book handed in by the secretary or representative of the secretary of the Coast Lumber Association. I see that your name is among those present. 'A letter was then read from the Mountain Lumber Manufacturers' Associa-

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tion stating that it was proposed at their next meeting on January 8, to fix a price for each width of boards somewhat on the following lines, namely, that 10 to 12-inch boards are \$20 a thousand, that 8-inch be \$19 a thousand, 6-inch \$18 a thousand, and 4-inch \$16 a thousand, and asking whether this association would be willing to make a similar change.'—A. Do you want me to comment on these minutes?

Q. I wish you to explain whether this was one of the things you met for?—A. This is one of the features in connection with the grading and classification of lumber which exists in nearly all districts where lumber is manufactured and sold on a large scale. Formerly I believe we were in the habit when a man ordered a car of boards to throw in a little of each to make up the car, such as from 4-inch wide to 12 inches, and of different lengths, and this apparently did not seem to be either in the interest of the consumer or the dealer for the reason that we had quite a difficulty in keeping stock up, and consumers were compelled to take stock that they did not want. Now in the Mountain district we have a great many small lots and therefore accumulate large quantities of small boards such as 1 by 4 and 1 by 6, and we would naturally, in shipping lumber, put in as many of those as possible. As trade developed and the country grew the demand seemed to change and demand different arrangements in this regard, and we could not make the changes in our shipments without having the Coast people do likewise. So I believe it was agreed that orders for boards should be filled according as they were ordered, and the classification of boards according to their length and width and so forth.

Q. Here is a minute of that meeting:—

'Mr. Wells, secretary of the Mountain Lumber Association, then briefly outlined the difficulties they were encountering in regard to their prices, especially of the yards in the Northwest Territories, and stated the question was to be subject to discussion at meeting on January 8, at Nelson, and suggested that delegates be sent to said meeting, as it would be a most important one. Moved by Mr. Beecher, seconded by Mr. Lewis, with Messrs. Rowe, De Pencier, Heaps and Scott be requested to represent this association at the meeting of the Mountain Association at Nelson on January 8 next.'

This deals with a very important part. What do you say to it, Mr. Lund?—A. As far as I know I could state nothing except that these people were probably invited to be present and take part in discussing this question. The question of opening yards by the manufacturer created considerable discussion both on the part of the small saw-mill and on the part of the dealers. The dealers, on the point of having connection with the mill, always considered that they would be at a disadvantage, and the small mills themselves who were not in a position to be interested in any lumber yard considered that if bad times came that they would probably be at a disadvantage.

Q. It was further decided on request of Mr. Beisly and Mr. Martin that it should be inquired into at an early date when the price list J applied as far east as Port Arthur?—A. I don't know anything about the price list in discussion over which we have nothing to do with.

Q. You were there as a delegate?—A. I represented the Mountain Manufacturers, and that price list J is evidently the Coast list.

Q. And the secretary asked to have a ruling as to whether the J list applied to a point as far east as Port Arthur, and said it had always been considered as coming under the price list for Manitoba and Saskatchewan, but that some members did not seem to be clear on this point, and it was decided that the old ruling should continue, and a price list apply to a point as far east as Port Arthur. Now, Mr. Heaps, we notice, stated on his oath that these associations did not have any connection with each other, but I see that he has been figuring as a leading spirit in all these meetings. I see by the minutes that these gentlemen here were all included in the notice for the general meeting?—A. I want you to understand distinctly before I leave this place that there is nothing whatever in common between the Coast Association and the Mountain Association, with the exception of what I have already told you, that at some times an

occasion comes up when we are compelled to consult them with regard to adjusting our lumber for the market.

Q. Do you say that these minutes refer to such a subject. Do you say that they have no other meaning?—A. There is no understanding. No general understanding between the Coast and the Mountain lumbermen. If any special matter comes up in which we are both interested we endeavour to come together and decide on those special matters.

By Mr. McIntyre :

Q. You told us that you had an interest in a yard at Camrose?—A. And in Baulte and Calgary.

Q. Can you give us any idea as to the comparison of prices?—A. The yard at Camrose was one of those unfortunate yards that did not belong to the Alberta association. The manager has never consented to join the association, because he has repeatedly stated the dealers of Camrose and in the vicinity are handling lumber at Brandon, and will not consent to get a fair profit.

Q. Have you any competition with your yard? Is there a yard or yards that are operated by local manufacturers?—A. Yes.

Q. You mean that you get Saskatchewan and Red river?—A. I don't know that that comes to Camrose.

Q. Does it to Baulte?—A. I could not say. I don't know. The effect is I have been told that Baulte acted as a drain on the Camrose business, and Mr. Eddem and Mr. Rushton seemed to be continually at loggerheads, and considerably to my personal sorrow Mr. Rushton's business became involved to such an extent that I was compelled to step in and get some more money into it in order to carry it along. The Rushton Lumber and Grain Company last fall had \$47,000 on the books against farmers in that district, and in addition to that they were operating an elevator and having tied up about \$13,000 worth of grain early in the fall and filled the elevators. This grain could not be moved on account of the shortage of cars, the consequence being that the money which should be in the hands of the farmers is still tied up, the elevator is filled and we cannot buy any more grain, and consequently the farmers cannot sell and pay their debts. That is the condition that exists at Camrose, and as far as I can understand the same condition at other points.

Q. The more important thing is whether the prices at Camrose are higher or lower than at Calgary?—A. Well, I could not tell that; they should be higher. The freight rate to Camrose is something like 6 cents a hundred more than Calgary.

Q. Cannot you say as to whether coming into competition with the northern mills is instrumental in reducing prices?—A. No. I think that Mr. Rushton has paid as much for lumber from the native mill as from the other mill, and I believe Mr. Adam and Mr. Rushton are handling native lumber as far as conditions will allow them to handle it.

By Mr. McIntyre (Perth):

Q. You know nothing of the prices there?—A. No, I do not. The only thing I know is that the mills were cutting each others throats to a considerable extent.

By Mr. Schaffner:

Q. You retail lumber at Alberta?—A. I have some interest in some retail yards at Alberta.

Q. A controlling interest?—A. No.

Q. Do you belong to the retail association?—A. I belong to the Manufacturer's Association.

Q. But you have retail yards at Alberta?—A. I have a small interest in some of these yards, but I have nothing to do with the management.

Q. I was asked to bring that out more fully, if you are a retail lumberer you would be able to give us some opinion about prices, if you are not, that is an end of it?

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—A. Well, I might explain with regard to the Calgary yard, that as near as I can understand, the yard which I am interested in in Calgary, they take \$3 per thousand on common boards and dimensions as a profit. To this same yard in which I am interested, I have not sold any lumber from our mill for a considerable time. They claimed that in order to meet the competition in Calgary, they were compelled to have lower prices than the wholesale list, and while I have a one-third interest in the Calgary yard, the manufacturers prices were so close elsewhere that I was unable to cut the prices for them and do justice for the mill; consequently I cut the business out and this manager consequently is very indignant, and I understand has appeared in the *Eye-opener* a number of times with the intention of discrediting our association as well as myself.

By the Chairman:

Q. Who is this?—A. The manager of the Calgary yard.

By Mr. Schaffner:

Q. Do you remember the date you became interested in that yard?—A. No.

Q. Do you remember the year?—A. I think it has run three seasons, since 1904. I think it was in the winter of 1903 and 1904 that it was organized.

By Mr. Herron:

Q. Can you tell us the profits in that yard in proportion to the profits stated here by the retailers who were here yesterday?—A. I do not know anything more than that in conversation with the manager he stated several times that they were compelled to do business in Calgary on a margin of \$3 a thousand for common lumber. That is all I know about it. I do not know what they get for the upper grade.

Q. I suppose the upper grade is where they get their highest prices?—A. Well, in our association there is very little on common lumber, that is in the Mountain mills. I have a statement here that I will submit showing exactly what the percentage of grades were in Crows Nest (Exhibit 66).

By the Chairman:

Q. That is the different percentages of each?—A. That is in one of the best mills in Crow's Nest, and perhaps as good a lumber field as the average.

By Mr. Galliher:

Q. I have been requested to ask if you would tell us what the wholesale prices of rough dimension is in Regina at the present time?—A. Well, 10 inch boards for instance, that is about the medium so far as boards are concerned, are delivered at Regina at \$24.50.

Q. That is delivered there, that includes freight?—A. That includes everything.

By the Chairman:

Q. What is the ordinary dimensions, about the same?—A. Well 2 by 6, that is about medium in the dimensions 10 to 16 feet delivered at Regina at \$24.

By Mr. Lancaster:

Q. You still have a third interest in the yard at Calgary?—A. Yes.

Q. What were you charging in that yard a year ago for ordinary lumber?—A. I do not hardly remember. I did not belong to any association for two or three years. I was charging just whatever I pleased. Some cars went at one price and some at another. As a matter of fact prior to 1906, the dealers were getting lumber at any prices they might mention.

Q. What is the lowest price you charged a year ago?—A. I think the lowest price on number 1 common stock at Calgary was \$14.50.

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Q. And what was the lowest you charged this year in both cases?—A. That I cannot tell you, because they had forty or fifty cars on order in 1906 that would be delivered at, I think, \$16 or probably \$15.

Q. What are they paying now?—A. Now, I presume they are paying list price.

Q. What would they be now in the same yard?—A. 10 inch boards at Calgary are now \$21.50.

By the Chairman:

Q. That is \$3 less than Regina?

By Mr. Herron:

Q. Is that list up to date?—A. That is our own list.

Q. The last list issued, is it?—A. Yes.

Q. When was that list issued?—A. On January 20, 1907.

Witness discharged.

Mr. L. A. LEWIS, sworn:—

By Mr. Lancaster:

Q. I understand witness has a statement to make. Perhaps he had better make it now.

By the Chairman:

Q. These are the books you are submitting as an exhibit?—A. Yes.

‘Before giving any testimony I respectfully crave leave to protest against any examination into the details of my private business as a lumber dealer for the following reasons: A charge is made, in the terms of the resolution under which this committee was appointed, that an unlawful combination exists among and between the manufacturers of and dealers in lumber for the purpose of unduly enhancing the price to the consumer. In other words, the charge is made on behalf of un-named settlers that a crime has been committed within the meaning of section 520 of the Criminal Code, sub-section C. Parliament hitherto has inquired into alleged offences connected with the various departments of government, or into the condition of a particular business or trade where legislation is sought, but I submit that it is without precedent that any business man or private individual should be examined by a committee of parliament in order to ascertain whether he has or has not been guilty of a criminal offence. The charge is significantly vague, and doubtless for the reason that the settlers are unable to specify such particulars as would warrant a proceeding under the criminal code before a judicial tribunal. While I have no reason to believe that the criminal law has been violated in this connection, I desire to record an emphatic protest against the method now adopted to ascertain whether a criminal charge could possibly be fastened upon any particular dealer in lumber. It is worthy of remark in this connection that whereas one of the possibilities of a protective tariff was that oppressive combinations might be formed, the first industry to be charged with this offence in parliament is an industry largely without any protection, and one which, in British Columbia, is involved with the labour difficulties and conditions wholly peculiar to that province.’ (Exhibit No. 66½ put in:)

By Mr. Galliher:

Q. What is your full name?—A. L. A. Lewis.

Q. Your place of residence?—A. New Westminster, B.C.

Q. What is your occupation?—A. I am manager of the Brunnette Saw Mill Company, manufacturers of lumber.

Q. Will you compare the conditions in regard to producing lumber in 1905 and 1906?—A. Well, I tell you I would like, in order to facilitate this examination, to

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give you price list to show the raise of prices in 1906, and to show the cost of production, and you can then see why we raise it, and see that we have not unduly enhanced the price of lumber as we can show up on our figures. On January 4, 1906, our price for lumber was \$21 at a 40 cent point in Manitoba. That was \$11 at the mill. Twenty-one dollars in Manitoba was equal to \$11 at the mill. On March 1, 1906, we raised \$1. On May 3, 1906, we raised another dollar. On September 29, 1906, we raised another dollar. On December 13, we raised another dollar, which is the present price to-day.

Q. That is \$4?—A. Equal to \$14 at the mill.

By Mr. Lancaster:

Q. That is a \$4 raise in 1906?—A. \$4 in 1906.

By the Chairman:

Q. That would be \$15 at the mill?—A. No.

Q. Well, if you add \$4 to \$11 it makes \$15?—A. Well, if \$25 is the selling price and you take \$11 off for freight, I am left with \$14. Now we are selling lumber in Manitoba at a lower price than we are locally in New Westminster and Vancouver. In the latter part of 1906 we were getting for 2 x 4, 6 x 8, 18 feet long, \$17.50, and selling on board the cars at \$14.

I also have a comparison of prices for 1907, and I wish to sign this and leave it as evidence (Exhibit 67). Now, when I knew I was coming out here after being subpoenaed I saw the manager of the Fraser River Mill Company, which does a considerable export trade. I want you to see the conditions of the coast, and I said to him, I wish you would write me a letter to that effect. I would like to read the letter before the committee. He wrote this letter, and I would like to read it:—

EXHIBIT No. 68.

FRASER RIVER SAWMILLS.

Mr. L. A. LEWIS,

Manager of the Brunett Sawmill, Limited,
Sapperton, B.C.

Dear Mr. Lewis,—*Re* your inquiry of several days since as to why we will not help you out more on your rail shipments. I will be frank with you, and state truthfully that the rail business at present prices is very unattractive to any mill that has trade (as we have) in foreign countries at the present prices being offered us, and which we are daily accepting in preference to anything being offered us for rail business in Canada. To make myself clear and to square ourselves with you relative to these matters, I herewith beg to hand you E. list, which is used for all foreign business by all the mills catering to trade by vessel. At the present time we are getting an advance of \$2.50 per M. base over the base price (\$15) as quoted herein; for example, 2 by 4, 10' to 15' merchantable in the rough, brings us (alongside the vessel on our wharf) \$17.50 per M.; the same product, namely, 2 by 4, 10' to 15' on the advanced N. list brings us \$15 per f.o.b. cars at our mill. But there is the extra expense of surfacing the one side and one edged on the rail business, which will cost the mill 75 cents per M.; then, too, as every one knows, it costs fully 25 cents per M. more to handle rail business than it does business by water, so you can readily see that there is at the very least \$3.50 per M. difference in favour of the water business, to say nothing about the difference in being able on the one hand to get all the transportation necessary and on the other hand to be at all times hampered for the want of cars with which to do business. What is true in this particular size of lumber you will find is the same all through the price list comparatively speaking. Now, as to the uppers, the select 1 by 6 that we ship to South America at the present time nets us f.a.s. \$23 per M.; this is the same stock that you and we put into 1 and 2 drop siding for the Northwest trade. Now, we will trace these out so far as to compare prices f.a.s. \$23. To get the same stock f.o.b. cars at mill so it will bring us the advanced N. list price \$25: K.D. and cost of

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handling, \$1; planing, 75 cents; trimming and tying, 50 cents; waste in trimming, 5 per cent, \$1.25; stacking in shed waiting arrival of cars, 50 cents; loading into cars, 25 cents; total, \$4.25; net to mill, \$20.75, or a difference in favour of shipping by water, \$2.25 per M. In addition to this the rail mill must make an allowance on the average of \$2 per M. for selling expenses, and loss for small claims, too small for mill to worry over and that are generally allowed oftentimes when we know them to be unfair and seemingly hold-ups. Our prices for the foreign business are made up by sawmill proprietors of the United States, and we simply follow one another's footsteps. We know they can produce lumber cheaper than we can in British Columbia, but we cannot get more for our products than they see fit to charge for theirs. Their labour is far more profitable than our oriental, a goodly proportion of the millhands being Swedish. Having been constantly engaged in saw-milling on both sides of the line for the past seventeen years, I am fully convinced that on the average one Swede is fully equal to any two orientals, and the comparison between the Swedes and the Hindoos is as three to one in favour of the Swedes. The Swede is a lumberman from birth, the oriental a serf, always trying to shirk. Ninety per cent of the supplies used in our line from logging up or down to the saw-milling end is imported, so in addition to the prices our American brothers pay we are compelled to pay the duty, which in the run of a year we find amounts to quite a sum. But on the other hand our government does not seem to think it necessary to keep the inland United States mills, who give them no revenue, from shipping their goods into this country in competition with ours, notwithstanding the fact that we are kept out of the United States market by a prohibitive duty. I have gone into this matter to a greater extent than I had originally intended to, but I want to make it plain to you that it is clearly from a financial point of view that we are compelled to turn down the rail business in favour of the trade offered us for shipments by water.

Yours very truly,
W. P. FOWLE,
Manager.

By Mr. Lancaster:

Q. Would these other items of waste apply to American shipments as well as to Manitoba?—A. No, they take any length out of the mill. They do not have to cut it.

Q. Do you allow dishonest claims?—A. I will not if I can help it.

Q. It is a thing you would allow if it is an honest thing? It is only a thing you would not allow when you would lose by it?—A. I was showing you why he would prefer shipments by export rather than the car trade.

Q. You said that letter was written to you on purpose to bring to this committee, is that so?—A. Not exactly. I told that man that I had been asking him to help me out with my car trade and I said, write me a letter and tell me why you won't do it. It struck me as a good idea.

Q. What I want to know is if you can give us an idea as to the different rates?—A. That is what I have read giving several prices and the difference of the rates.

Q. You can give us a statement of the prices charged?—A. I can.

Q. You have knowledge enough to give me an opinion on that matter?—A. Yes, sir.

By Mr. Herron:

Q. Do you know the prices for the foreign trade?—A. Yes.

By Mr. Lancaster:

Q. You stated in that letter that the export list is fixed at Seattle?—A. Yes. Our mills go down there.

Q. The list is prepared for international shipments?—A. Yes.

Q. Then the British Columbia export shippers fix their prices with the Seattle price?—A. Those that are in the same association go by the same list.

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Q. Is there an association of American and Canadian exporters that fix prices?—
A. There are three mills exporting in British Columbia and they belong to the association.

Q. Does that association fix what they are to charge?—A. Yes, sir. There is another exporter, the Victoria Lumber Manufacturing Company, and I should like this letter (Exhibit No. 69) from the company to go in evidence, stating they are selling lumber for export at \$18 basis 'E' list.

By the Chairman:

Q. Can you tell us the average price of lumber for the last year. I can only give it for the whole output, \$17.65.

Q. Can you tell us what has been the increase in prices?—A. Prices have risen 100 per cent in the past few years. Owing to the increase of cost over what it was five or six years ago, we have had to raise the price of lumber.

By Mr. Knowles:

Q. Before you leave that point, are prices at Vancouver or Seattle always the same?—A. The export price is.

Q. How about the local prices?—A. They arrange their own prices, and we arrange our own prices.

Q. Which is generally the higher?—A. There is not much difference. The Americans are more inclined to act according to the market than we are. If there is a big demand, up will go the price, and if there is a slump down it comes. They are quicker to act in that respect than we are.

By Mr. Lancaster:

Q. The chairman began to ask you about a comparison in prices. He asked you the last average price. In the same way could you give us the figures for 1905?—A. I have not got the average, but it was lower.

Q. How much?—A. Well, I don't know. We were cutting prices in 1905 to meet American lumber.

Q. How low did you cut, don't you remember?—A. Well, I tell you there was considerable cutting going on. American lumber was coming in from the other side in 1904, there were three cuts in 1905, after those three cuts we were cutting shiplap \$4 a thousand in Manitoba and the Territories.

By Mr. Galliher:

Q. In making that cut were you selling at a profit or a loss?—A. Selling at that rate we must have lost at least \$3 or \$4.

By the Chairman:

Q. You have told us that this list has been raised to \$23?—A. Yes. I may, just for your benefit, show you how prices have risen in Seattle. This is from the *Seattle Post-Intelligencer* of February 27, 1907:

'LUMBER TOO HIGH FOR STREET WORK.

'Prices have risen 100 per cent in past two years, other materials advance.

'The high price of lumber has practically placed it out of the reach of the city for planking streets and side-walk purposes. Within the past four years the price of that used for street purposes has advanced more than one hundred per cent. Contractors now quote lumber to the city at from \$23 to \$26 a thousand feet board measure. Less than five years ago the city put down many side-walks with lumber that cost from \$10 to \$12 a thousand.'

By Mr. Lancaster:

Q. You cut from what to what?—A. You want to know the price. At a 40 cent point we were selling shiplap in Manitoba at \$22 and we cut it to \$17.

By the Chairman:

Q. That was \$5?—A. Yes.

Q. You told us \$4?—A. Well, that was from the N list. We raised the N list. Shiplap on this price list was \$4 less.

By Mr. Galliher:

Q. Getting that what were you losing, about how much?—A. \$3 to \$4 a thousand. I would tell you the Mountain mills were cutting prices, and the retailers kept telling us that they could get lumber at cheaper prices than we could operate at, so we set to work to try them, and made three trips and we cleaned out an awful lot of shiplap. We lost money, but it brought prices together.

By Mr. Lancaster:

Q. Do you mean that the line yards were the means of forcing that price down? You said the line yards were so strong that you had to do this?—A. No, I did not say they were so strong. Supposing you are running a line yard, a line yard has forty or fifty yards. Our traveller goes to them and says: 'Here, I want to sell you some dimension.' He says: 'But your price is too high, I can get any in the Mountains for \$2 less.' Our traveller writes us saying this man cannot buy because he can get it cheaper in the Mountains, or get American. Our association felt that we were not doing enough of that trade so he says: 'We will give that a little cut.'

Q. Again I ask you do you mean that it was the action of the line yards that forced this cut?—A. They did not force this cut.

Q. That caused it then?—A. No.

Q. It made a reduction then. They caused you to cut those prices down?—A. We cut prices. It was not because they cut. The Mountains had their price list. Some were cutting at a lower price than us. It was not the line yards that caused it, but we felt bad. Some fellows belonging to the Mountain Association and some to our own people were selling under us, and the line yards, of course, got the benefit.

Q. It was what the line yards told your travellers that caused you to do this?—A. No.

By Mr. McIntyre (Perth):

Q. Were not the Mountain or Mills Association selling at less than you? Was not that a prime reason?—A. I think that was the prime reason. It might have been that some of our own men were doing the same thing. I have here from two of the principal loggers on the Coast copies of invoices of what they have sold these logs for, and they are sworn to as being correct copies. These are copies of invoices of logs sold by Patterson Timber Co., Vancouver, and is marked exhibit No. 71. Here is another set showing the price at which ten booms of logs were sold by the International Logging Company in 1906 (Exhibit No. 72). Now, would you like to know the price of logs on the American side? I have statements here bearing on that.

By the Chairman:

Q. Give us a general idea?—A. The American price of logs in February 1, 1906, was \$8. On March 26, there was an advance to \$8.50 per M.; on May 14, there was an advance to \$9.50; on October 1, there was an advance to \$11; on January 14, 1907, there was an advance to \$12. (Exhibit 73.) I will also put in this list of A. J. Palmer, who gives a list up to January, 1907. I will put in copies of the price list with these books, and they will show you how lumber is advanced and logs advanced.

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You will understand that when we advance prices a dollar a thousand it will be three months or so before we get the advantage of that price. If we get one hundred cars in the day before the raise of price we fill them at the old price, consequently if at any time there is an advance of price, you will see that it is two or three months before that price to the shipments. In January, 1905, logs were raised from \$6 to \$7. In March the first advance in price was made of \$1—logs were then \$8—and made three advances of another dollar, but logs advanced \$1.50, making them \$9.50. On September 29, logs advanced \$2, but we only advanced our price \$1. On December 13, we advanced another dollar, and logs were then \$12 on an average price.

By Mr. Galliher:

Q. So that the advance in the cost of logs to you was ahead of the advance of lumber?—A. Yes, sir.

By Mr. Lancaster:

Q. In the minutes in this book would there be a record showing any arrangement as to the cost of logs?—A. Nothing that I am aware of, because there is not understanding between the millmen as to the price of logs. There may be something in regard to the grading of logs and something like that, but nothing was done in regard to an arrangement of prices of logs by our association.

By Mr. Galliher:

Q. You get logs as cheaply as you can?—A. That is it.

By Mr. Lancaster:

Q. There is no understanding between you at all in regard to what you must pay for logs?—A. No, sir.

Q. There is nothing in the association?—A. A man is not confined to any price. We get logs as low as we can, and if they go up we have to pay more for them. There is a point the chairman brought out about weights that I would like to explain to you.

By the Chairman:

Q. Can you give us any memoranda about weights?—A. I wanted to show the weights of rough lumber as reckoned by the Canadian Pacific Railway. If we get a car full of timber we figure it at 3,200 pounds to the thousand feet. The Canadian Pacific Railway take log dimension timber at 3,200 pounds to the thousand feet.

Q. They don't weigh every car?—A. No. Sometimes long timber is put on two cars.

Q. Supposing for instance that you shipped a car at a certain weight and it was less than that weight, who would get the benefit?—A. We would get the benefit of it certainly. If the car is less then we get the benefit, but if it is more than the weight we ship out, then we have to pay more. Long timber requiring two or more cars will be carried at 3,200 pounds to the thousand feet subject to 3,300 pounds for each car.

Committee adjourned.

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MONDAY, March 25, 1907.

The committee met at 11 a.m., Mr. Greenway, chairman, presiding.

Mr. WATTS—Mr. Chairman, may I ask before you commence that you read the telegram I have handed in to you.

The CHAIRMAN.—(Reads)—

EXHIBIT No. 74.

‘Contradict Wilkinson, Regina, he bought of us last summer although not a dealer.

(Signed) ‘D. B. DULMAGE.’

This is from Cranbrook, B.C.

Mr. WATTS.—With your permission, I beg leave to make application that you take proceedings against this man as a warning against other witnesses who are so careless after the truth.

Mr. LANCASTER.—Proceedings against whom?

Mr. WATTS.—Against Wilkinson.

Mr. LANCASTER.—On a telegram.

Mr. WATTS.—You can make an inquiry. You can inquire into the case and if you desire I will send for affidavits.

The examination of Mr. L. A. Lewis continued.

By the Chairman:

Q. Have you completed your statement?—A. I completed the statement with reference to the prices we had been charging, and also the price of logs. I have here a statement with reference to the advance in wages in 1905 and 1906, if you would like to have it.

By Mr. Lancaster:

Q. Do you want to give it to us?—A. I would like to give it to you, yes. It is a comparison of wages paid in 1906 over 1905.

By Mr. Sloan:

Q. That is wages paid to employees at the mill?—A. Yes, at the mill. Saw-filer, sawyer and saw-carriage advanced 20 per cent. These are wages that we paid at our own mill.

By Mr. Lancaster:

Q. That is the increase of one year over the other?—A. Yes, sir.

Q. Which year?—A. 1906 over 1905.

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EXHIBIT No. 75.

COMPARISON OF WAGES PAID.

Occupation.	Rate 1905.		1906.	1907.
	\$	cts. p c.	\$	cts.
Saw filer.....	97	50 20	117	00
Sawyer.....	97	50 20	117	50
Re-sawyer.....	78	00	78	00
Edger man.....	71	50 18	84	50
Chief engineer.....	100	00 50	150	00
Millwright.....	91	00	91	00
Saw carriage.....	50	00 20	50	00
Common labour, white.....	40	00 25	50	00
" Japanese.....	33	80 15	39	00
" Chinese.....	26	00 30	33	50

BRUNETTE SAW-MILL Co., LTD., (SGD.) A. LEWIS, MANAGER.

Q. Is there anything else you want to put in?—A. I have a statement here of the wages paid by the Patterson Lumber Company at their logging camps.

Q. Do you know that it is true?—A. Yes, sir, I believe that it is true.

Q. Who made up the statement?—A. The Patterson Lumber Company, loggers.

Q. Are you in that company?—A. No, sir.

Q. Well, I suppose you know no more about it than you would if it came to you from my office, do you?—A. Yes, I would, because I am conversant with the lumber business and I am not conversant with your office.

Q. If you say these figures are correct and you want to refer to it as a simple way of putting it in, I don't see any harm at all, but if you want us to go on the facts and you don't know anything about it yourself I don't think it ought to be put in.—A. I am not particular. It is information I want to give the committee but I am not particular whether you put it in or not.

Q. Do you say it is true?—A. I do. To the best of my knowledge and belief it is true. I will tell you, Mr. Lancaster, I asked him for a list of the wages because labour is so scarce. I said to him, 'Give me a list of the wages you are paying in the camps. May be it will induce more men to come out for logging purposes when they see what is paid,' and he handed to me this statement.

Q. Then if you want to put it in why do so.—A. If you want to refer to it you can have it.

EXHIBIT No. 76.

VANCOUVER, March 7, 1907.

List of wages paid in Patterson Timber Company's logging camps.

June, 1906, January, 1907.

		Day of 10 hours.		Day of 8 hours.	
		June, 1906.		January, 1907.	
		\$	cts. p.c.	\$	cts.
Hk tender.....	Per day.	5	00 15	5	75
Rigging slinger.....	"	3	75 20	4	50
Head faller.....	"	4	00	5	00
Second faller.....	"	3	75	4	50
Barker.....	"	3	50	3	75
Swamper.....	"	3	25	3	00
Head swamper.....	"	3	50	3	00
Bucker.....	"	3	50	4	00
Sniper.....	"	3	25	3	50
Road line man.....	"	3	25	3	75
Line horse man.....	"	2	00	2	75
Signal ".....	"	2	75	2	75
Engineer.....	Per month.	70	00	75	00
Fireman.....	Per day.	3	50	3	00
Wood cutter.....	"	2	50	1	75
Head skidder.....	"	3	25	5	00
Skid road man.....	"	2	50	2	75
Blacksmith.....	Per month.	70	00	70	00
Boom man.....	"	60	00	60	00
Dooger-up.....	Per day.	3	00	3	00

L. A. LEWIS, Esq.,
Brunette S. M. Co.

By Mr. McIntyre (Strathcona):.

Q. Just on that point I notice in this book 'Minute Book. No. 3, Lumber Branch,' the following resolution:—

'Moved by Mr. Scott, seconded by Mr. DePencier, 'That the fishing season being practically over, we recommend that a reduction be made in the wages being paid, Jap, Chinese, and Hindoo labourers, and that the wages for roustabout labourers be one dollar (\$1.00) per diem for Chinese; one dollar and ten cents (\$1.10) for Japanese and Hindoos.'

Q. That is on 28th September, 1905?—A. Yes.

Q. Does that correspond with your statement?—A. Yes, that will be about right.

By Mr. Lancaster :

Q. Is there anybody else present that understands these figures as well as you do?—A. No, sir, I don't think so.

Q. Well, I will have to ask you something about them?—A. The secretary will come later. He said that if the committee desired him at the end of this month he would be able to come and he would gladly come.

Q. He gave you these books to bring here ?—A. Yes, sir.

Q. And you were at most of the meetings, the minutes of which are in these books ?—A. Yes, sir.

Q. Mr. Heaps, who was here the other day, said there was nothing in the shape of an oath binding the members of your association. Will you look at Book No.2 You can hear me can you ?—A. Yes, sir.

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Q. I see there minutes of a meeting held on 27th April, 1905, that is two years ago?—A. Yes, sir.

Q. There is a motion by Mr. Flumerfelt, seconded by Mr. Heaps (reads): 'That in view of the numerous complaints as to the breaking of prices and violation of terms, and in order to obviate the possibility of any violations and to establish confidence between the members of the association, it is hereby resolved. That an official auditor be employed by this association, who shall be perfectly independent, familiar with the lumber business and have qualifications suitable to such a position. He shall be specially authorized and empowered by the association and every member thereof.'

Q. Do you remember this meeting?—A. Yes, sir.

Q. I am still reading 'to inspect all orders and every book and paper in connection therewith and also to specially investigate all complaints made by any member of this association regarding the breaking of prices and terms. Such auditor shall be sworn to faithfully perform his duties and shall give a bond as a guarantee that he will literally follow all instructions given him in writing by the executive of this association, and that Messrs. Scott, Palmer, Beecher, Lewis and DePencier be and are hereby constituted a committee to choose such auditor. The selection of this committee is by virtue of this resolution approved. Such auditor shall be appointed a commissioner for taking affidavits and shall be authorized and empowered to request the manufacturers and their employees to attest any statement rendered him in connection with his official duties. And it is further resolved that the members of this association shall take an affidavit to the effect that they "will not, nor will they allow their employees, to cut prices, give rebates, or in any way evade the price list and terms adopted by this association. Further, the manufacturers may at any time be sworn in regard to any transactions by the auditors.' You were one of the committee that was appointed to select the auditor?—A. Yes.

Q. You did select him?—A. Yes, sir.

Q. That resolution was carried unanimously, and then it was moved the same day by Mr. Beecher seconded by Mr. MacAfee,'

'That the following telegram be sent to all the agents of all the mills by the secretary who is hereby empowered to sign the names of the members present, to said telegram, and charge the same to individual accounts.' This was the telegram:

'At meeting to-day unanimously resolved that auditor be engaged to inspect all orders and examine all manufacturers and salesmen under oath. All Coast manufacturers agree to maintain new consolidated list and terms without deviation. Acknowledge receipt this telegram by wire.'

You remember that?—A. Yes, sir.

Q. Then at a meeting a week later, on the 4th of May, the committee which had been appointed on the 27th April to select an auditor submitted its report to the effect 'That the secretary, Mr. R. H. H. Alexander'—this man that is sick—'had been appointed official auditor, and that the committee recommended that he be paid an extra \$75 per month, this amount to cover such service as an auditor and the employment of a necessary assistant in the office.' That is that in addition to his salary he was to be paid an additional \$75 a month for this duty, that he was to do under oath.—A. Yes, sir.

Q. That was moved by Mr. Heaps and seconded by Mr. Roe and carried. Then it was moved and seconded that the secretary get himself appointed a commissioner for taking oaths and that was carried, and the secretary then submitted forms of declaration in connection with the auditing, which were approved. The same day Mr. DePencier gave notice that he would move at the next meeting to readjust the discount sheet by advancing the price of flooring, siding and other lines, and also to give the privilege to any of the members to meet American prices in Winnipeg for consumption from Winnipeg, the readjustment of discount to be effective on the 1st June with a prospect of further advances on the 1st July, and that the Mountain mills be

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communicated with and asked if they were willing to advance along the same lines. Do you remember that?—A. Yes, it is correct if it is there.

Q. That was on the same date as you appointed this auditor?—A. If it is there it is correct.

Q. To maintain those prices?—A. Yes, sir.

Q. Then we come to a meeting, recorded at p. 151 of the minutes in book No. 2, when it was moved by Mr. Scott, seconded by Mr. Moody, 'That it is hereby placed on record that the declaration which lumber manufacturers, members of this association, have been asked to make, setting forth the promises they had made regarding adhering to price lists in force from time to time, is intended to apply to sales made for delivery in Manitoba and the Northwest Territories.' Do you remember that?—A. Yes, sir.

Q. That is correct?—A. Correct.

Q. Then on the 18th May, according to the minutes, you got a communication from the secretary of the Mountain Lumber Manufacturers' Association acknowledging your association's letter of the 6th *re* proposed advance in prices and stating that the regular monthly meeting would be held at Nelson on June 5, when a delegation would be appointed to come to the Coast at a later date, and also inviting this association to be represented at their meeting on 5th prox. Do you remember that?—A. Yes, sir.

Q. At this meeting your secretary—that Mr. Alexander, who now was your secretary and auditor—reported that he had been appointed a notary public and had nearly all the declarations in from the respective managers and was ready for the auditing, and asked for further instructions as to his own declaration (reads): 'It was moved by Mr. Beecher, seconded by Mr. Heaps, that the committee appointed to select the auditor be asked to pass upon the declaration to be made by the said auditor and also report as to how the extra expenses is to be met.' You remember that?—A. Yes, sir.

Q. Then the end of it seems to have been that on the 1st June Mr. DePencier moved, seconded by Mr. Beecher, that an extra assessment of one-half cent per M. be levied on the mills interested in the arrangement for auditing until further notice?—A. Quite likely that is correct.

Q. Having had your mind refreshed by these minutes you would not agree with Mr. Heaps in his statement, that the members of the association were not sworn to maintain prices?—A. No.

Q. He was incorrect about that?—A. Yes, I did not understand him saying that. We were, that is correct. What is there we admit.

Q. We are not suggesting taking proceedings against you. He had forgotten?—A. He had forgotten. I spoke to him about it afterwards and I said, 'Why did you go and say that?' He said, 'I had not thought about it.'

Q. You were at that meeting, and although Mr. Heaps did say the association was not sworn to maintain prices, he was incorrect in so stating?—A. He was incorrect.

Q. They were sworn, and the auditor was paid \$75 extra per month, and he was duly appointed commissioner for taking oaths?—A. I want to explain that a little further. We were sworn, I will admit, but will you please turn to that book.

Q. To any particular date?—A. To L 102, 20th April, 1905. That, I think, was when the auditor was appointed. That is it right there that you have got your hands upon. Read that clause at the side of the book, will you please?

Q. (Reads)—'Nothing was done in connection with this resolution after November, 1905, and the same has not been acted upon since the above date and is now in disuse.'

(Signed) 'R. H. ALEXANDER,
'Secretary'

A. That is right. I admit frankly that we did everything that our brains could think of to establish a uniform price among the millmen, that we would sell at one price, so as to put the lumber business on a stable footing. I admit we did everything

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we possibly could to get our price fixed in that way and we issued our price list in that way.

Q. You paid this man \$75 extra to examine the invoices of the millmen and so on?—A. I will tell you why we had to pay \$75 extra. It was to employ another typewriter in the office to do Mr. Alexander's work while he was out.

Q. Exactly. There was that much more work and he was paid \$75 extra?—A. He was paid \$75 and he paid the typewriter.

Q. The manufacturers undertook to maintain prices and the prices were to be checked by the auditor?—A. We were to adhere to our prices.

Q. Just answer my question? It is true is it not? They were sworn to maintain prices and the auditor was paid to see that they swore correctly?—A. A. Yes, I said that before. I admitted that.

Q. And when Mr. Heaps said that it was not so he was mistaken?—A. He was mistaken, yes.

By the Chairman :

Q. Mr. Heaps was not the only one. You heard a good deal of the evidence and it all went in this direction; that there was no understanding as to the keeping up of prices. I think the committee will agree with me that the aim of many of your association is to keep up prices. All this goes to show that the declarations made that there was no understanding were wrong; it was some lapse of memory, or something, that gave us the wrong impression?—A. We had an understanding, and there are one or two points I had better explain in that connection. Let me take the real start. Whenever we would send a delegate to the Mountains or the Mountains would send a delegate to us, you will understand, it was not for us to have the Mountains mutually benefited by this. We were looking at it really and truly from a selfish standpoint. In issuing the price list the Mountains wanted to have \$2 a M. preference, do you see, in that rise on lumber delivered in Manitoba and the Territories, because they claimed that their lumber was not as valuable as ours and if their price was the same, you will understand, we would get the preference. Any of our delegates going there, I will tell you frankly, was with the object of having them to keep their prices equal with ours, so that we would be both on the same footing, in regard to lumber going to Manitoba and the Territories.

By Mr. Lancaster :

Q. You drew my attention to a matter I was going to draw yours to. I will show you something?—A. Yes.

Q. In regard to this memorandum you speak of. I want you to look at that entry in the minute book. Look at it this way first (handing over minute book and indicating) and then look at it that way. Tell me if that memorandum has not been re-written over something that has been erased?—A. That was written with a lead-pencil first and afterwards put in ink.

Q. Does that account for it?—A. That accounts for it.

Q. Whose handwriting is the memorandum in?—A. I will tell you all about it. When I knew that Alexander could not come to the meetings of this committee I went over to A. Alexander's office and he says:

Q. When was this, sir?—A. Just before I left, and he says, 'I cannot go. There is a lot of things in there that you won't be able to explain to them that you have forgotten or may not know about.' He says, 'There are two or three things' and he gave me the dates. You recollect I called your attention to the matter. You went over it and did not read that part.

Q. I was going to ask you how long it was in force? You apparently were afraid; I was not. I saw that the other day, and I was going to ask how long it was in force?—A. It was in force, from what this states, but he never issued any affidavits, and it did not take effect. After the date of this statement which was put in lead pencil.

Q. The only thing I point out to you is this. I want to be candid with you, and I want you to be candid with me—but in looking through the books I can find no resolution of that date rescinding it?—A. There was no resolution rescinding it. Let me just explain this so you will understand. As I told you we did everything we could to maintain the price and we could not—even under those affidavits—we could not get our men to maintain the price list. We never could until the demand was larger than the supply and then they maintained the price.

Q. Why then did you not pass a resolution opening the door that you had so deliberately locked in April? Why did you not pass a resolution saying, 'No longer shall we pay this \$75 extra, no longer shall men be bound to swear?'—A. That was merely because our attention was not called to it. We would attend the meeting one week and another crowd would attend the meeting the next, and it was simply not called for.

Q. How did the secretary who signed that, know that it ceased in November?—A. Because he did not take the affidavits.

Q. They had made them before hand?—A. These affidavits were taken monthly you see, and he stopped taking them.

Q. Did they swear the men every month?—A. About every month.

Q. You must be suspicious of men if they cannot remember longer than a month, cannot remember longer than thirty days?—A. Cannot remember longer than thirty days?

Q. The men themselves. They take the oath that they will do so and so, and yet they cannot remember it?—A. I have not got an affidavit here, but those affidavits were taken from month to month, September or October. For example, they would take an affidavit that they had not cut the price for the month of September or the month of October.

By Mr. Sloan :

Q. After the month was over?—A. After the month was over.

By Mr. Lancaster :

Q. They would swear to do it for one month?—A. That is all. There is nothing here, Mr. Lancaster, that we want to keep back. We admit in this association that we had a paid secretary; we did everything in our power to maintain an honourable price list amongst us; but we never insisted on any penalties in any way, shape or form. We met the Mountains and we tried to get them to maintain a price list. I explained to you on Friday that we tried to get the Mountains to maintain this list. Our own members amongst ourselves would come to the association and say, 'Yes, I am maintaining the list,' but we would get reports from our agents saying, 'So and so is cutting the list.' What did we do? One after another we made a reduction of \$5 a M. in shiplap.

Q. You mean to say they ceased taking those affidavits in November, 1905?—A. That is what I mean exactly.

Q. How did they cease?—A. Alexander stopped taking them and did not go around any more.

Q. Why did he cease?—A. The price list was being maintained and the trade was good and he did not think it was necessary. I tell you it was the demand that made us retain the price list.

By Mr. Sloan :

Q. Not the fact of swearing?—A. The demand and the high price of logs.

By Mr. Lancaster :

Q. Then after November, the demand made you keep it up?—A. Yes.

Q. Before that the affidavits made you keep it up?—A. The affidavits, I suppose.

Q. Is there anything else you want to say about that? You were going to tell me

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in whose handwriting the memo. is?—A. It was in the typewriter's handwriting in the office; that is the person who wrote it. She put it in lead pencil. Alexander could not write, because he was in a dark room, and his secretary, she put it in under his instructions.

Q. He signed his name?—A. He signed his name, certainly.

Q. He could not do any other writing?—A. He could write, certainly.

Q. You saw him do it?—A. I went over to see him when he could not come to the association meeting and I said, 'Mr. Alexander, if you have any explanations for these books, give them to me because the committee will ask all sorts of explanations and I want to give them.'

By Mr. Sloan:

Q. Previous to that time the entry was in lead pencil?—A. Yes.

By Mr. Herron:

Q. When was the entry made in lead pencil?—A. I don't know.

Q. You don't know that?—A. I don't know that, no. I drew his attention to the lead pencil, and he rubbed it out and put it in ink.

By Mr. Lancaster:

Q. You said the affidavits kept the price up till November?—A. It kept us from cutting prices. Anybody that made an affidavit was bound not to cut the price.

By Mr. Sloan:

Q. Was there any price cutting during the time these affidavits were in force?—A. Yes, I think there was.

Q. Those affidavits did not keep up the price?—A. They did not, no. As I said before, the prices were not maintained until the demand got larger than the supply.

By Mr. Lancaster:

Q. Well, what did the affidavits do then?—A. It tried to keep them up. We did everything, as I told you, in order to try and maintain those prices, and I told you we could not do it until the demand got larger than the supply, and then we did. Although at the present time—I will tell you this, there are some mill men right in Vancouver now who are selling lumber to-day at a dollar under that list, and there are some of them who are selling at two dollars higher than that list. I will tell you this: I wired to a customer of ours in Montreal in January, when we were all froze up, and said, 'Do not expect any more orders for lumber at less than \$2 above the list.' He wired me back an order for 300,000 feet at not less than \$2 above the list.

Q. Mr. Heaps also told us at the end of his examination on Tuesday afternoon that there had been no constitution or by-laws that they were acting under, for three years, I think he said?—A. I did not understand him to say that.

Q. I have a recollection he said that for three years no attention was paid to the by-law?—A. Well, I don't know, there might have been something in that.

Q. He said they did not follow them out?—A. I don't know. We had our by-laws there, but I admit they did not.

Q. Did you do anything towards following out the by-laws?—A. No, nothing. I never read the by-laws until they were passed about a week before I was coming out here.

Q. Look at page 19 of book No. 2?—A. Yes.

Q. Do you find a motion there about arranging prices for Manitoba and the Northwest in conjunction with the Western association or in concurrence with them?

—A. Yes, sir.

Q. You find a motion there?—A. There is a motion there.

Q. Arranging prices for Manitoba and the Northwest in concurrence with the Western Retailers' Association?—A. On page 19?

Q. Yes?—A. No, that don't read that way.

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Q. I looked through these books on Saturday, and there was something there I did not understand. (Reads): 'Moved by Mr. Lewis, seconded by Mr. Heaps, that a special meeting be called for next Thursday to arrange prices for Manitoba and the Northwest and also the local market.' This was carried. Then there is another resolution on the same date, August 4, 1904: 'Moved by Mr. Heaps, seconded by Mr. Beecher, that the secretary be instructed to write the secretary of the Western Retail Lumbermen's Association and ask for a statement of their reasons for refusing membership to R. & J. Marlowe, of Swift Current, and also as to the imposition of the fine on E. H. Heaps & Co. for selling to that firm.' What fine would that be, that is asked to be imposed on Heaps?—A. I don't know. There is no fine in ours. I don't know what that was.

Q. You don't know what that was?—A. I don't know what that was.

Q. The resolution also states: 'Also as to what action the Western Retail Association has taken against the East Kootenay Lumber Co. for having sold to said parties.' You don't remember that?—A. No.

Q. On page 25 and 35 there is another thing I would ask you to explain if you can, as Mr. Alexander is not here. 'Moved by Mr. Lewis,' would that be you?—A. Yes.

Q. And Mr. Roe seconded your motion?—A. Yes.

Q. (Reads): 'That the secretary write Mr. Gurd asking that sufficient notice be given us of the meeting at Revelstoke, as we are calling a special meeting to discuss the matter and endeavour to arrange to have a delegate present with full powers to act.' Now it seems, from the communication, just before that from them, that they intended to hold a meeting at Revelstoke, to discuss the matter as to the dispute with the East Kootenay Lumber Company. Am I to infer from that, because I don't want to draw a wrong inference, that the Coast Association and the Mountain Association were together working to investigate this matter, claiming they had a mutual interest in it? I do not want to draw that inference if it is not right, and yet that is the inference I would draw?—A. I do not really understand.

Q. There was a communication from Mr. Gurd, who then was the secretary of The Mountain Lumber Association. That is the Mountain Lumber Association communicated with your Coast Association?—A. Yes, all right.

Q. In answer to your letter. You had first communicated evidently with the Mountain Association?—A. Exactly.

Q. Asking what action this association intended to take in connection with the dispute between the East Kootenay Lumber Co. and the Western Retail Lumbermen's Association, and stating they intended to hold a meeting in Revelstoke in two weeks to discuss the matter and asking that delegates be sent from your association?—A. Well, I don't know.

Q. Then you moved and Mr. Roe seconded that sufficient notice be given so that you might have a delegate present. Would I be right in drawing the inference from that, that you and the Mountain Association were jointly acting together in regard to that grievance?—A. I expect so. I don't know what that grievance was.

Q. I do not want to say it is so if you do not think so?—A. The chances are we were acting together or it would not be there.

Q. The dispute, as Mr. Fowler points out, was between the East Kootenay Lumber Co. and the Western Retail Lumbermen's Association. Would you be jointly dealing in regard to that?—A. You see the Western Retail Lumbermen's Association at one time, with the wholesalers of the coast, were considering a price and not to sell only to members of the Retail Lumbermen's Association. Now, I don't know mind, but that it may be they sold and that was the dispute—they sold to outsiders—and it was coming up. After that we withdrew entirely from the Western Lumbermen's Association and agreed to sell to any legitimate dealer in the Northwest.

Q. You mean to say that after that something else was done, but on this date are we correct in inferring that you were working together?—A. On August 25? I think you are right.

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Mr. GALLIHER.—What is the scope of our commission of inquiry? How far are we supposed to go back?

Mr. LANCASTER.—We are supposed to go back more than two years, I think.

Mr. GALLIHER.—I am not disputing that, but I want to know where our inquiry ends.

By Mr. Lancaster:

Q. Then in your minute book No. 2, on October 20, 1904, there is a motion by Mr. Roe, seconded by Mr. Beecher, 'That secretary reply to Mr. Gurd that the question of withdrawal from the Western Retail Lumbermen's Association be deferred till such time as both the Coast and Mountain Associations could get themselves into better working order.' Am I right in inferring that in that matter you were working in harmony with the view to each others interests, your association and the Mountain Association?—A. Yes.

Q. Then November 10, 1904, appears a minute which is headed by the secretary, Mr. Alexander, 'Revision of Price List'?—A. Yes.

Q. 'Moved by Mr. Beecher, seconded by Mr. Lewis.' You seconded this?—A. It is likely.

Q. 'That the secretary write Mr. W. F. Gurd, secretary of the Mountain Association, that this association is revising its price list with the object of putting it on a firm basis, the same to go into effect on 1st December, and ask him what prospect there is of the Mountain association getting into line, and suggest they hold the meeting and send a delegate to Vancouver with power to co-operate with us in arranging price lists.' That is a correct statement?—A. Certainly.

Q. There is a thing I would like to know, which may or may not have amounted to anything. On November 18, 1905, Mr. Roe moved and Mr. McNair seconded, 'That Messrs. Scott, Beecher, Lewis and the mover be a committee to obtain legal advice and submit a scheme to enforce the strict adherence to the price list as finally arranged.' You are the Mr. Lewis mentioned there, I suppose?—A. Yes.

Q. Now, that is the very month you say, and that is the reason I pointed out to you, you stopped using affidavits?—A. Yes. What is the date?

Q. November 18?—A. 1905?

Q. Yes, and it says you were appointed a committee to obtain legal advice and submit a scheme to enforce the strict adherence to the price list as finally arranged.—A. You can quite understand that. We wanted—

Q. Did you do anything under that?—A. I don't know whether that was when we started with the affidavits or not. I want you to understand that we did everything we possibly could to maintain the price and not do it illegally. We were advised we could do it by some of the best lawyers.

Q. Perhaps that was before the—A. It may have been before the affidavits commenced.

Q. Before the affidavits commenced?—A. It may have been, yes.

Q. The affidavits were adopted in April, 1905. Is that the explanation?—A. I expect it was. We were working along that line all the time; trying to get something done to hold us down to the price list, to put the lumber business on a paying basis.

Q. Did you do anything previous to that?—A. If we did it is on the minute book.

Q. Then the secretary 'was instructed to ask the Mountain Association what date their delegation could meet us here, and suggesting not later than Friday, 25th inst.' That was a meeting to arrange a price list?—A. Likely.

Q. Then on November 25 there was the communication from Mr. Gurd, secretary of the Mountain Lumber Manufacturers' Association, 'Informing this association that Messrs. Jones, Wells and Genelle had been appointed delegates from that association, and outlining some suggestions as to what could be profitably discussed by the meeting.' That was another communication from them to arrange details of a joint meeting?—A. Likely.

Q. For mutual protection?—A. Likely.

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Q. Then on the same day Mr. Scott moved and Mr. Beecher seconded, 'That Messrs. Palmer, Roe, Lewis, Beecher, DePencier and Heaps be a committee to meet the Mountain delegation and discuss the price list and submit to a general meeting at 8.30.'—A. Yes.

Q. Then I see it is reported: 'The committee which had been working on the price list then submitted its report, which was adopted—the delegates from the Mountain mills stating that they were not empowered to bind their association to any list, but would submit the one adopted to their association at once, and thought that they would be unwilling to make lower prices, and, therefore, that the list would be adopted by them.'—A. I can tell you, before that it was any old price. I recollect that meeting particularly; we were selling at any old price.

Q. If I drew the inference that your association and the Mountain mills were working jointly together to maintain prices at that time, that would not be a wrong inference?—A. They would maintain their price list and we would maintain ours.

Q. Then you adopted a new list in December, 1904, do you remember? You raised your price in December, 1904?—A. No, I don't think we raised them in 1904.

Q. It is on the minutes?—A. The chances are they put the price list in force in 1904. They used to raise them so many times last year it is pretty hard to keep track.

Q. This is not last year?—A. In 1904 that would be.

Q. That would be for the output of that winter?—A. Yes.

Q. Then I draw your attention to this increase. Is there anything you want to say as to that? On the 12th January, 1905, there was an increase from \$10 to \$13 in the rough, and \$14, S.L.S. and E. What is that?—A. 'Surface one side and on edge.'

Q. Yes, there was an increase from \$10 to \$13 and \$14, according to these minutes, and single and double dressed were raised from \$25 to \$28?—A. Is that the local branch at Vancouver that you have there, Mr. Lancaster?

Q. You think that is the local?—A. Yes; I do not attend Vancouver.

Q. Then you would not be able to explain that?—A. No, because that was a meeting they had among the Vancouver men; this is about the local price list.

Q. Do you remember about several increases in the meeting of the 19th of December, 1904?—A. No, I do not. That is pretty far back.

Q. Do you remember that the price of bridging, and culls, coping, there is a lot of material here, common, shiplap, flooring and sidewalk strips, specially selected flooring, ceiling and siding, wainscoting, and a lot of other items?—A. That is the local business; but if it is there it is correct, you know.

Q. On the 23rd of February, 1905, there is this minute headed, 'Re meetings with Mountain mills. Moved by Mr. Scott, seconded by Mr. Beecher, that following up a suggestion of Mr. Melville Avery, M.P., of the Arrowhead Lumber Company, George McCormick, of the Kamloops Lumber Company, and C. H. Johnson, of the Empire Lumber Company, made to the mover yesterday, that a meeting of the Mountain and Coast manufacturers be held monthly, alternately at Revelstoke, or such other point as may be decided on by the Mountain Association, and Vancouver; that we heartily concur with such a plan, and agree to appoint a committee of from 3 to 5 to attend meetings at Revelstoke, or such other place as may be decided on, with the understanding that a similar committee will be appointed by the Mountain Association to attend meetings at Vancouver, travelling expenses of delegates from here to be borne by themselves unless provided otherwise by this association.' Was that acted on?—A. It may have been acted on once, but they did not carry it out.

Q. You mean for any length of time?—A. I do not know whether they attended that meeting, but I know from time to time after that they would meet.

Q. At that time they proposed to meet with these people regularly; it looked as if they were making definite arrangements?—A. They tried to, but could not carry it out.

Q. You mean they did not carry it out month by month?—A. Yes, they did not carry it out month by month.

Q. They met irregularly?—A. Yes, irregularly; that is a good word.

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Q. You do not mean to say that they did not act at all on that resolution?—A. No, they did not act on that, but they met irregularly. I think the idea was they wanted to meet every month, but they could not carry it out, but they met afterwards.

By Mr. Herron:

Q. The resolution provided for four or five delegates to go backwards and forwards?—A. Yes, but they did not carry that out.

Q. Would you say there was one went backwards and forwards?—A. Yes, there was one went back, but not monthly, you understand.

By Mr. Galliher:

Q. At certain times?—A. Yes, at certain times.

By Mr. Lancaster:

Q. On May 4, 1905, Mr. DePencier gave notice that he would move 'to readjust the discount sheet by advancing the price of flooring, and siding and other lines, and also to give the privilege to any of our members to meet American prices in Winnipeg for consumption in Winnipeg, the above readjustment of discounts to be effected on the 1st June next, with a prospect of further advances on the 1st July; and that the Mountain mills be communicated with and asked if they are willing to advance along the same lines.' At that time would you not increase prices unless the Mountain mills did so?—A. It was purely a matter of business. If we advanced our prices and the Mountain Association did not advance theirs we would lose the trade.

Q. I am simply asking the fact that at that time you would not increase prices unless the Mountain Association did?—A. We did afterwards. I do not know whether the Mountain Association did or not; the chances are we asked them to.

Q. Is there anything else you want to say about that? Then on the 18th May, at the next meeting, the secretary of the Mountain Lumber Association wrote acknowledging your letter *re* proposed advance in prices, and stating that their regular monthly meeting would be held at Nelson on June 5, 10 a.m., when a delegation would be appointed at once to come to the coast at a later date, and also inviting this association to be represented at their meeting?—A. Yes.

Q. You met them then pursuant to that?—A. Some of them might. I think the next minute will likely show if they did meet.

Q. As far as these minutes have been read to you, they are practically correct?—A. They are practically correct, certainly. Now let me have the minute book, will you?

Q. Certainly. I was asking questions because these minutes would cause me to draw a different inference from what I would draw from the evidence of Mr. Heaps and the other witnesses. I wanted to see whether you said the minutes were right or not?—A. I wanted to explain, just to read a letter with reference to our association and the Western Retail Lumbermen's Association. This is a letter dated the 15th of December, 1904, written to Isaac Coolburn, secretary of the Western Retail Lumbermen's Association at Winnipeg.

DEAR SIR,—Owing to the fact that our position as honorary members of your association continues to be misunderstood and misrepresented by the public, and more particularly by the railway authorities and members of the Dominion House of Parliament, we have been forced to the conclusion that it is advisable, in both your interests and ours, that we should withdraw; you will, therefore, please not renew our membership for 1905.

'Our relationship in the past has been of such a pleasant nature that we take this step reluctantly, and would have preferred not withdrawing until after consulting with you at your next annual meeting, but circumstances are such that we cannot wait until then. In severing our connection we wish to convey the information to your association that our intention is to confine our dealings to those who are regular and legitimate retail dealers.

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'With kindest wishes and expressing the hope that your association may prosper.' I would like to explain that before the Western Lumbermen's Association was formed in Manitoba and the Territories our mill, the one I represent, was one of the first mills to send lumber into Manitoba.

By Mr. Schaffner:

Q. What year would that be?—A. It was away back in 1900, it was before the association started, anyway. We sold lumber and lost considerable money from giving credit, and we looked upon a man in this association as a reliable party to sell to, from whom we would get our money. Before that we lost \$1,600 in one case and \$2,000 in another case, by selling to anybody we thought was good. If it was a contractor who was putting up buildings, we were so far away from him that he could sell out and get away, and we got left. The circumstances are such that we cannot watch our business at such a distance, and our intention is to confine our business with those who are regular legitimate retail dealers. We understand that as long as anybody is in business we are perfectly willing to sell to any of them, whether he is a member of the association or not, and that has been the case ever since December, 1903.

By Mr. Sloan:

Q. You are practically living up to the contents of that letter down to the present time, are you?—A. Yes.

Q. You sell to anybody, as long as they are a regular dealer, you have answered that repeatedly?—A. Yes.

By Mr. Lancaster:

Q. And do you say that last year you did not have any dealings with the Mountain Association as to what prices you charged?—A. I did not say so.

Q. You did not say so?—A. No, certainly not.

By Mr. McIntyre (Strathcona):

Q. I notice, on the 20th August, 1903, you gave notice of this resolution, it was a regular meeting: 'Be it resolved that this association do not consider that line yards are in any way a benefit to the trade from our standpoint, and that in the future absolutely no concessions be made to them.' Will you kindly explain what 'line yards' mean? We have had some very peculiar explanations, from my standpoint?—A. That is a joint stock company, operating thirty or forty yards all over Manitoba at different points. Sometimes they have as high as fifty yards.

Q. Then, the Staples & Company, of whom Mr. Becker is the representative here, is an example of a line yard?—A. Yes.

By Mr. Lancaster:

Q. If he had three or four yards, he would be a line yard?—A. Yes.

By Mr. McIntyre (Strathcona):

Q. In what way are they detrimental to your trade?—A. They wanted, because they had so many yards established, to buy cheaper from us than the dealer.

By Mr. Herron:

Q. Did they buy their lumber cheaper?—A. No, they did not from me, but I would not like to say they did not from some of our members.

Q. Was it not a fact that they got concessions over other yards?—A. I would not say.

Q. I thought you implied that they did?—A. Exactly, because they were exacting concessions from us all the time on the ground that they were buying in large quantities. I think that they did get some concession, fifty cents a thousand or something like that.

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By Mr. Chairman :

Q. \$10 a car, I think it was?—A. Yes, \$10 a car, yes that is right.

By Mr. McIntyre (Strathcona):

Q. You remember Mr. Becker said he could buy cheaper than an ordinary retail dealer?—A. I was not here and did not hear him. It is an understood fact that they claim this even from many of us who belong to the association, that they will go around and make a private dicker, and they tell me that they have bought at lower prices than I would sell for, and say that my neighbour would sell to them at lower prices.

Q. How is that detrimental to your trade?—A. It was this way, we calculate we are not making anything on lumber now, and if one would sell it at lower prices than the other, of course we would lose that trade.

Q. Was it any benefit to the consumer, do you think that they got the lumber at lower prices?—A. I do not think so, I do not think they gave the consumer any benefit.

By Mr. Lancaster:

Q. Do you not think they sold cheaper to the consumer because they got that benefit in the prices?—A. No, I say I do not.

By Mr. Herron:

Q. According to the minute in the book did you cease doing business with the Retail Association of Manitoba, or did you continue to do business with them in the future?—A. No.

Q. Have you continued still to do business with the association after that minute? A. Oh, yes.

Q. You still continued?—A. Oh, yes, we are still doing business in that way.

By Mr. Galliher:

Q. Referring to these several minutes, and to the meetings that were held under them from time to time, and the meetings, the general meetings that you may have held with the Mountain men, what was the object of those meetings?—A. It was purely and simply to get the lumber business on a paying basis that we could make an honest dollar.

By the Chairman:

Q. To raise prices?—A. No, I will just put it frankly; there was no thought or idea of our association to put up prices in order to get anything out of the consumer.

By Mr. Galliher:

Q. Not to give any fictitious value to lumber?—A. Never, we were working continually to get the lumber business on a paying basis rather than to go to the wall. We had to do it or give up.

Q. And in some of those cases you cut prices to meet the competition from American lumber in Winnipeg and Manitoba?—A. We did, in 1904 and 1905. It was proved that it was necessary for us to do so. With reference to that cutting of prices in Winnipeg I am going to give you a case in point, Mr. Chairman. At the time that the T. Eaton Company were putting up their building in Winnipeg, they sent out and asked quotations for what we would supply them with joists, and I think it was 2 or 3 by 18 feet long. That lumber was bought from the American side and sent into Winnipeg on a \$6.50 basis on the cars at the American side. I was offered it if I would take it at that price. But I turned it down and said, I cannot afford to do it. That is the way I claim it would be better if the government were to put a duty on lumber, and help us than it would be to help the large dealers and contractors in Winnipeg who are getting the advantage of cheap lumber from the American side, without giv-

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ing any corresponding benefit to the consumer. The man who wanted to build a house, and wants to get about 20,000 feet of lumber for it, he had to pay the price, the regular rate, but the big contractor could go to the other side and purchase the cheap lumber.

By Mr. Sloan:

Q. This lumber that was admitted duty free, was all rough lumber?—A. Yes.

Q. That competition from the American side is not effectual at the present time?—A. No, it is not.

Q. How do you account for it?—A. In two ways, they have, at the present time, a large demand for lumber there, and they cannot get cars at the present time to furnish their own trade let alone ship it into our territory.

Q. Have you any knowledge how our prices compare with the American prices?

—A. I have read the clause showing what they charge in comparison to ours.

By Mr. Herron:

Q. You have heard the evidence of different witnesses here with reference to the retail price?—A. Yes.

Q. You have seen the price list?—A. Yes.

Q. Do you think the consumers are paying unduly high prices for lumber at the present time over the price at which you put it on the cars?—A. I certainly think that when Mr. Wilkinson sold lumber there that he certainly was robbing the consumer out of 25 per cent, and I think that man should have been proceeded against under the Criminal Code.

Q. Did he not say he was selling it at the current prices in Manitoba at that time?—A. No, that is a combination he had between himself and two or three other dealers at that point and the others could not get in. He put up prices 40 or 50 per cent where he could have sold at 20 per cent. If there was any chance to get at him under the Criminal Code, that is the man that should have been soaked.

By Mr. Herron:

Q. There was evidence submitted at Regina that at the time it was from \$32 to \$36 for common stuff, that is at the present time?—A. I do not know what they sell it there for, our price is \$25 and if you add 20 per cent to that that will give you an idea of what they should charge there. In nearly all these cases, take Regina, for instance, we will say that the price is \$32 and the chances are, Mr. Wilkinson is rather an evasive fellow, he did not want to give anything that would reflect credit on the other side, and the chances are that there is 10 per cent off nearly all these car prices. Now, to give you an instance of that, if he is selling at \$32 and there is 10 per cent off that that will bring it down to \$29. Our corporations down there nearly always get 10 per cent off.

Q. But by the by-laws of your association you will not sell to big corporations or cities or towns, that is one thing you prohibit?—A. I do not say that the great corporations should be held up for prices, but as we look at it it is to the mills advantage that they should buy the lumber from their dealers who are paying taxes inside the city limits and contributing to the revenue of that city or town, and it is natural that they should help these men who are helping to build up the town.

Q. I just wanted to give you the privilege of throwing light on this subject and to see if you had any opinion to give whether the consumer was paying too much for his lumber, and if so can you suggest a remedy and locate the man who is robbing him of the profit?—A. If you had asked me that question the other day I would have reached right over and put my hands on Mr. Wilkinson, from the evidence he gave there was the man who was robbing the consumer out of 25 per cent more than he should have.

By Mr. Galliher:

Q. He read us a nice paper before he went out anyway.

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By Mr. Herron :

Q. He sold the same as the other men in that part of the country?—A. In that part of the country? It has always been an understood fact, even when we had the meeting with the Canadian Pacific Railway that the retailer could not get more than 25 per cent on his lumber on the car, if he did so he made his arrangements between the local dealers in the district. I tell you frankly that the cold chills ran over me when I found out he was making 40 to 50 per cent and I was not making a dollar on that lumber. I believe to-day that there are lots of retailers in Manitoba who are only charging 20 per cent on the wholesale prices. I believe that. But, of course, in some cases, and you can't blame a man who has the chance that way, to put up the prices, if he does it. Do you recollect Mr. Marling, who was in with Mr. Wilkinson in Pense, Mr. Herron? When Mr. Marling came out to the coast to get Mr. Michaelis to not sell any lumber by the carload to the farmer he came out to me. I sold him lumber, but he wanted me to stand that \$2 per thousand, he said, 'Will you protect me on that \$2 per thousand, Michaelis is selling to them?' I said, 'No, go back to your point and sell to the farmers at the same price that he is selling for and let the farmer handle the car.'

By Mr. Schaffner :

Q. Mr. Marling has retired from that business now?—A. Yes.

Q. Now, this was in Manitoba back in 1905?—A. Yes.

Q. I have gone through this book pretty carefully, I consider, and I have a great many questions I could ask, but I can assume that you have practically admitted there was a close compact between the Mountain and the Coast Association to maintain prices for lumber. I do not say it is wrong, but I want to say this that the minutes verify this fact and you admit that?—A. Well, I do not like that word 'close compact.' If it is put that there was an understanding between the Mountain Association and us that we would make a list for the Territories it is all right.

Q. I like the word 'close compact.'—A. Well, it was not very close, because when we got hostile to each other we turned ourselves loose.

Q. You never seem to have become hostile?—A. I gave you evidence on Friday where we cut prices \$5 a thousand. Do you say we were close in that respect?

Q. You or Mr. Heaps, one of you was not telling us the truth in accordance with this minutes?

Mr. GALLIHER.—That is hardly a fair question.

The CHAIRMAN.—The witness has already stated that Mr. Heaps was mistaken, and that he was surprised at what he said.

By Mr. Schaffner :

Q. I can verify these statements by going through the minutes?—A. Certainly, I think he was mistaken. I admit that Mr. Heaps came out, and did not go through these minute books when he went on the stand. Well, now, there is only one point I just want to bring out. We are a little far away from the seat of government, and we have been asking for some years that a duty be put on lumber. Mr. Wilkinson told us here that he can buy lumber from the Larsen Lumber Company at lower prices than he could from the Coast mills. Do you suppose that he gave that benefit to the consumer?

Q. I have no knowledge of that whatever.—A. Well, that's all right. You understand that when we asked the government to put a duty on lumber all these dealers got the farmers to sign applications against us, saying that the price of lumber would be raised. I want to show you, it has been my contention all along, that the consumer did not get the benefit of the American low prices. The legislature not putting a duty on lumber was purely and simply helping the retail dealer, and not helping either the manufacturer or the consumer. That has been my opinion, and that has been carried out by the evidence here. I feel that if the consumer had got the advantage

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I would not have blamed the members from Manitoba or the Territories for kicking against a duty being put on lumber, but when they did not get it I do not think they have any complaint against the manufacturers at the Coast for asking for a duty.

By Mr. Sloan :

Q. Mr. Wilkinson admitted that the consumers did not get the benefit of it?—A. That is just what I said, by not putting on a duty they are helping out the retailer. Now, here is another proposition: I think that the consumer ought to be helped out, but supposing I said to our association when I went back—I feel from what evidence I have heard here that the consumer has been charged too much in some places, too much for their lumber—would this committee be willing to recommend to the government that we think it would be in the interest of British Columbia and the provinces generally to put a duty on lumber providing we would sell in carload lots to anybody that wanted to buy?

By Mr. Galliher :

Q. I am afraid that is not within the scope of our commission.—A. Well, of course, that is the point, if you want to help the consumer.

By Mr. Lancaster :

Q. What do you suggest we should recommend?—A. I would suggest that you recommend to the government that you put a duty on lumber coming in from the American side, and that the associations in the Mountain and at the Coast would sell to any commissioner that they would appoint to buy lumber for the farmer. You understand we could not sell to each farmer who was taking 20,000 feet of lumber, because there are some 12,000,000 feet I send to the Territories, and supposing each farmer would get 20,000 a car, I would have to have some 6,000 customers through the Territories, so that it would be impossible for me to do business with the farmer. But supposing that at any place the dealers were holding the people up in the price, you could appoint a commissioner to whom the farmer could go and buy his lumber direct.

Q. I am afraid if the government put on the duty that the farmer would ask you to burst up this association of yours that has been formed to keep up the price?—A. I am afraid that would be unreasonable.

By Mr. McIntyre (Strathcona) :

Q. Would you dispense with the retailer altogether?—A. I could not. Supposing we sell to the contractor or the farmer in the west, we are such a distance away that it would not be practicable. Some contractors, I am satisfied, make money and some do not. The contractor who is building might get up his building in two or three months and get his money and get away, and we might be out our money.

By Mr. Lancaster :

Q. You suggested that this committee recommend the appointment of a commissioner to buy for the farmers. Are you still going to sell to the retailers as well?—A. We would sell to the retailer or to the commissioner.

By Mr. Galliher :

Q. What I understood the witness to say was that in case they were held up by the retail dealer the farmers might apply for the appointment of a commissioner, and that the manufacturers would be prepared to deal with the commissioner.

By Mr. McIntyre (Strathcona) :

Q. If your suggestion holds good in case a duty is put on lumber, why should it not be operable without putting on the duty?—A. Well, of course we want a *quid pro quo*; you want to do certain things and I am willing to help you to do it.

Q. If the consumer did not pay that \$2 to the retailer he must pay it to you people, that is your idea?—A. No, not at all. The consumer has not been getting the

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benefit of this cheap lumber. If he had been, then it would have been all right, but he is not. The retailer has been getting that benefit, and I would not say anything if he had been making any money out of it, but I am satisfied that the committee is assured, from the evidence that has been given here, that mills on the Coast have not been making any money of any account.

Witness retired.

Mr. J. S. EMERSON sworn.

By Mr. Lancaster:

Q. Your name, please?—A. James Shott Emerson.

Q. Where do you live?—A. Vancouver.

Q. What is your business?—A. I am in the logging business, and I operate steam-boats, and am also in the manufacturing of lumber, the saw-mill business.

Q. Where is your lumber saw-mill?—A. Port Moody, B.C.

Q. How long have you been in business?—A. That is the saw-mill business?

Q. Yes, the lumber business?—A. My first introduction into the saw-mill business was in November, 1905, when in conjunction with other parties we purchased the Haslam mill at Nanaimo.

Q. You began the lumber business in November, 1905?—A. In November, 1905.

Q. What is your output?—A. That mill we sold a few months ago.

Q. You sold that mill?—A. Yes.

Q. You operated it from 1905 up to a short time ago?—A. Until about the last of August, 1906, about 8 or 9 months.

Q. Did you make any advance in your prices during that time?—A. In the price of lumber? Well, the Nanaimo Lumber Co., that is the name of the company, did not belong to the association, that is to the Lumbermen's Association.

Q. What has that to do with the question as to advancing prices?—A. Well, we usually get the list of prices without being members of the association, and when the association advances their prices, we advance ours.

Q. You advanced because they did?—A. Yes.

Q. For no other reason?—A. Well, because we could get it.

Q. Was there no other reason?—A. That was the main reason.

Q. That is the reason, you thought you could get it, and they advanced it?—A. That is the reason that lumber was saleable at that price, and we asked and got it.

Q. You got all you could get, that is about it?—A. We got all we could get.

Q. Do you want us to infer that you would sell at less if you could not have got that price?—A. Not if we could have got more.

Q. Would you have advanced your prices if the association had not advanced, from any business reason of your own?—A. Not if we could not have made that price. Of course if we could have we would.

Q. Was there any business reason why you needed to advance to keep solvent?—A. Oh, yes.

Q. Were you making money before this?—A. Well, the mill at Nanaimo never made much money. In fact it was the poorest business I was mixed up in. I had run logging camps, and been in the steamboat business, and the mill at Nanaimo was the poorest business I had.

Q. Of course we do not want to know about your dealings with other things, the information of which would not be of value to us. You were only in business nine months. Before you advanced these prices did you consider you were getting fair prices?—A. Well, the prices were not satisfactory when the cost of logs were considered and the cost of operation.

Q. There was a time, evidently, from your evidence, when you advanced prices, you say, because the mill association did?—A. Yes.

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Q. Now, the morning before that time came, were you satisfied reasonably with the prices you were getting?—A. No, we were not.

Q. Were you selling at a loss or a profit?—A. Well, the profit was very small.

Q. What do you call small profit, what was the profit you were getting?—A. Perhaps 50 cents or \$1 per thousand.

By Mr. Fowler:

Q. What was the price of logs in 1905?—A. They ranged from—oh, from \$7.50 up to \$10.50.

Q. That was at Nanaimo?—A. That is general through the Coast.

Q. That is general all over the Coast region?—A. Yes.

Q. They were \$7.50 in 1905?—A. Yes.

Q. What were they in 1906?—A. They ranged from \$8.50 up to \$13.

Q. That was in 1906?—A. Yes.

Q. What are they selling at now?—A. They are worth from \$11.50 to \$14.

Q. Why do they vary so in price?—A. Logs were more in demand, and there was less of them put in the water so that the supply of logs was not in keeping with the demand, and they went up.

Q. That is the only reason why they have gone up?—A. Yes, and because the cost of labour has increased. It has increased during the last three years at least 35 per cent.

Q. What is that?—A. The cost of labour has increased at least 35 per cent during the last three years.

Q. Has that been a steady increase from year to year?—A. It was more marked last year.

Q. In what percentage did they increase last year over 1905?—A. By 25 per cent.

Q. About 25 per cent?—A. Yes.

Q. How much from 1906 to 1907?—A. Well, we are only just emerging into 1907 yet, and I do not know there is any material out.

Q. Has not the labour been put on the logs?—A. Another reason why it has increased in price is this, that the cost of getting out the logs is increasing all the time. In times past the loggers were taking out logs close to the Coast, and as time goes on we have to go further back and the cost is greater. Not only is there an increase in the cost of labour, but it takes more roads and steam machinery to get them out, and a more expensive equipment.

Q. Is not the labour of getting out the logs for this season's cut pretty well performed at the present time, except of course the driving and drafting; the cutting is all done now, is it not?—A. Logging is done in British Columbia the year round—that is on the coast of British Columbia.

Q. What is the percentage of increase in 1904 and 1905?—A. I would say about 10 per cent.

Q. So that the 10 per cent added to the 25 you have already spoken of makes the total increase of 35 per cent?—A. About.

Q. Between 1906-7 there has been practically no increase?—A. Well, there is very little, but the tendency is to increase.

Q. On account of the greater distances?—A. The tendency is to increase in wages, because anyway during the last two or three months men are harder to get even at 1906 prices.

Q. You think the tendency is to increase?—A. The tendency of labour is to increase.

Q. You are operating in Port Moody, you say?—A. Yes.

Q. But are you interested in the mill at Port Moody?—A. I own the mill there. It is known as the Emerson Lumber Company.

Q. Is that a large mill?—A. Yes, it is a good-sized mill.

Q. What is its capacity?—A. It is a band, cedar and shingle mill, with a capacity of 60,000 feet per day.

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Q. Reducing that in lumber it would be?—A. About 60,000 feet of logs a day, well, from 50,000 to 60,000.

Q. Where do you get your lumber from, Port Moody?—A. I bring it from the north.

Q. From up the Coast?—A. From up the Coast.

Q. You tow it down, do you?—A. Yes.

Q. What have the logs cost you; have you got your statements there, the mill statements from your books?—A. Well, I can tell you approximately what the logs cost me.

Q. What are these statements here?—A. That is just the statement of the logs sold.

Q. You carry on a logging business besides your lumber business?—A. Yes.

Q. And this is the statement of logs that you have delivered and that you are selling to other people, to other mills is it?—A. Yes.

Q. Have you the statement there for your own mill?—A. No; I took them from my own camp.

Q. Have you any statement as to the actual cost; the cost you give here would include a profit of course?—A. I would have a profit.

Q. You were not doing that for your health?—A. No. I have taken these to show what the logs cost from 1903 to the present time.

Q. That is what they cost the lumbermen who bought from you?—A. Yes.

Q. How much profit would there be to you in that?—A. Well, the profits range according to circumstances, all the way from \$1 to as high as \$5 a thousand.

Q. That is the profit?—A. Yes.

Q. They range from \$1 to \$5?—A. Yes.

Q. So that where you are selling from \$7.25 to \$8.25 they will only cost you \$3?—A. No, not in that case; but the profits have been greater in the last couple of years.

Q. They have been better?—A. Oh, yes.

Q. The profits on the lumber?—A. The profits in 1903-4 were not very great; the margin was satisfactory, but not excessively so.

By Mr. Sloan:

Q. You did not give us the price of the logs in 1903 and 1904?—A. In 1903 the logs ran from \$7.25 to \$8.25 per thousand; in 1904, they ran from \$7.25 to \$10.25; the \$10.25 would be for logs of extreme quality, picked logs.

By Mr. Fowler:

Q. They had to be selected logs at that price?—A. Yes.

Q. Give me an estimate of what your logs cost at Port Moody mill?

By Mr. Galliher:

Q. The ones that you supplied yourself to yourself?—A. That is about what they would cost, the actual net cost.

Q. That is for 1906?—A. That would be for 1906.

Q. They cost you about \$8.50?—A. I think so.

Q. What would that cost include, or would it include everything?—A. That cost would include logging, towing, the risk on towing—

Q. What do you count for the risk?—A. In towing there are a great many logs lost by the tugs.

Q. What do you count for that?—A. 50 cents a thousand; I carry my own insurance, so I add that to the price of the logs. Then there is the government royalty which would be 50 cents a thousand, which will make it \$9.

Q. Government royalty was not included?—A. No.

Q. Was there any allowance made for stumpage?—A. No. Well, we usually get it through special licenses which do not carry very much so that we do not carry stumpage on it.

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Q. What do you mean by special licenses?—A. The provincial government issued special licenses for each mile, 640 acres, at \$140, and we cut the logs on these limits and then we drop the limits.

Q. Do you not have to carry a certain amount of limits, you cannot pick them up whenever you like?—A. Yes, I have some Crown granted timber, but I am cutting timber that I got cheap, to which the title is not very good. The title to the Crown granted timber and the lease is stable, but the special license is from year to year and the government can change the price, they can increase the price of the stumpage so that you may have it this year for 50 cents, and the next year it may be double that, so that the title is not very good. Consequently, I am using that timber up first.

Q. So you make no charge whatever in that \$9 for stumpage?—A. It is so small we do not figure on it.

Q. I do not mean the stumpage on the particular timber you are cutting, but on the timber limits you are carrying, you do not charge anything for that?—A. No, not until I get the timber off.

Q. And the cost in 1906 was \$9, do you think it will be greater this year?—A. I do not know, I do not think it will be any less.

Q. You do not supply to these other mills at that price?—A. Oh, no.

By the Chairman:

Q. What is the cost of milling at your mill?—A. The cost; I have a new mill, I built it last year and started to operate it on the 4th of June, so that the cost of operation would be a little more than it will be from now on. The cost of operation last year was over \$8 per thousand.

Q. That will be \$17 per thousand?

Mr. Fowler:

Q. What is that, \$8 per thousand for milling?—A. Yes, it costs more to manufacture cedar than it does fir; it is made into finer boards.

Q. What is your average price for lumber?—A. \$22 per thousand.

By the Chairman:

Q. That is a finer class of lumber?—A. Yes.

Q. You cut entirely cedar?—A. Entirely cedar. Of course, I have in that the logger's profit, the profit on logging and towing.

By Mr. Fowler:

Q. What is that?—A. I have in that the profit on logging and towing.

Q. In the \$8?—A. No.

Q. It costs you \$17?—A. It cost me \$17, yes.

Q. And you sell for \$22?—A. For \$22.

Q. Which gives you a profit on the whole transaction?—A. Yes, that includes the profit on logging, towing and milling.

By Mr. Sloan:

Q. Have you camps of your own, or do you buy from small loggers?—A. I have logging camps of my own and furnish logging camps to the man who has timber, and I furnish timber to the man who has logging camps, and I buy logs occasionally, but not very often.

Q. In your logging operations do you figure any cost against deterioration of plant at all?—A. In logging?

Q. Yes?—A. Yes.

Q. You make an allowance for that?—A. Yes.

Q. How much will a plant cost for carrying on logging operations four or five miles from the beach where you will have a couple of donkey engines and a cable?

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What should you have invested in the plant ?—A. If you put in a logging plant to log four or five miles from the beach you want a railroad.

Q. You can log two miles with a donkey engine ?—A. No, that is too far.

Q. What is the farthest distance for a donkey engine to log ?—A. One and a half miles. You would have to have three or four donkeys to log four or five miles. You would want three donkeys on the main haul, one at the yard and one to make the skid rolls.

Q. What would a plant like that cost ?—A. Do you mean cost of the plant, or the cost of putting in the road and the equipment ?

Q. The cost of the plant you have to take to that point ?—A. Including putting in a road ?

Q. Yes.—A. I would say roughly it would cost, before you would put out a log, it would cost \$35,000.

Q. That would be the initial cost to get down logs a mile and a half from the beach ?—A. I think so.

Q. And further from that the cost would be in proportion ?—A. Yes.

Q. You stated that the cost of wages has increased 35 per cent? Take the superintendent of the logging camp, what do you pay him now ?—A. I pay the superintendent \$150 per month.

Q. And his board, in all cases they have board. Take the hook tenders ?—A. We pay them from \$5 to \$6 per day.

Q. And the rigging stringer ?—A. Worth about \$4 per day—he usually pays his board.

Q. And the fallers?—A. They get a per diem amount and their board.

Q. What do you pay them?—A. \$4 to \$4.50. The first faller is \$4.50 and the second \$4.

Q. The engineers of the donkey engines, what do you pay them ?—A. We used to pay them, the highest, \$3 per day, and they paid their own board, now they get \$80 per month and their board, straight time.

Q. And the men working on the booms ?—A. We used to hire them by the day at about \$40 a month, now they get \$60 and their board.

Q. And the skid road men ?—A. They used to get \$2 and \$2.50, and now they get \$3.

Q. And the cooks ?—A. We used to hire them at \$50 a month and now pay them \$75.

Q. Is that white cooks ?—A. That is a white cook, for Chinese we pay from \$35 to \$50.

By Mr. Lancaster :

Q. Are there any Chinese cooks used ?—A. In the smaller camps there are, but in the larger camps we have white cooks.

Q. It is mostly in the small camps that there are Chinese cooks ?—A. Yes.

By Mr. Sloan :

Q. I suppose the loggers and employees of the logging camps are not kicking as to the price of wages, are they? Is there any complaint?—A. They always seem satisfied with their wages.

Q. They are sharing in the general prosperity of the country at the present time ?—A. Yes.

Q. You speak of Crown granted lands, these have a value per acre, these lands have increased in value, have they not recently—I mean the Crown granted timber lands?—A. Oh, very much.

Q. What was the increase in these lands?—A. Crown lands that you could buy five years ago for \$5 per acre are now worth from \$10 to \$20.

Q. That is Crown timber lands?—A. Crown timber lands.

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By Mr. Herron:

Q. Do you say the Chinese and Japanese labour in the logging camps there?—

A. We use almost exclusively white men.

Q. What is the cost of your lumber mill plant?—A. The cost of the plant at first was over \$100,000, of course that did not include the price of stocking it with logs, &c.

Q. No, that was just the mill?—A. That cost over \$100,000.

Witness retired

Committee rose.

MONDAY, March 25, 1907.

The committee resumed at 3.30 p.m.

Mr. EMERSON further examined:—

By Mr. Herron:

Q. You have bought and sold logs, have you not, in that country?—A. Yes.

Q. Over and above what you have cut on your own limits, for your own mills?—

A. Yes.

Q. Part of your business is supplying logs to other mills, is it not?—A. Yes, I buy and sell.

Q. Have you bought logs and sold them within the prices stated here to your own mills within the last year and a half?—A. Yes.

Q. Sold them at a profit to the mill?—A. Yes.

Q. How low have you bought the logs during that time? I suppose it is a case of buying from men who have small mills, who have permission to cut for themselves?—A. I usually buy from men that I finance. Some of them perhaps have got timber and no logging plant. In that case I furnish them with logging plant and finance them generally. I try to find them timber, and put them to logging.

Q. What is the lowest you have been able to buy logs for?—A. In buying you buy at the camp, then you have to take them and tow them so that the price I buy at would not give you the cost of delivery.

Q. We have had that from a number of witnesses, about towing and teaming and the like of that, to the mills. If you can tell us what you paid for them we could get at the balance, I think?—A. The lowest was about \$6, and as high as \$8.50 at the camps.

Q. From \$6 to \$8.50?—A. Yes.

Q. Is that lower than you have been able to supply logs from your own limits within the last year and a half?—A. In some cases the logs cost me less than it did to put them in.

By Mr. Lancaster:

Q. You add the cost of towage and teaming?—A. Yes.

Q. What is the cost of towing?—A. Towing depends on where they are. It runs from 20 cents to \$2 a thousand. Then we have to furnish boom chains. That would bring them up to \$7 or \$8. I have delivered at less than about \$8, but they cost me when delivered when I buy them at \$8, \$10.50.

Q. From statements made here by other witnesses, the cost of manufacturing, handling the logs at the mill and putting the lumber on the cars, that would still leave a very great profit. Allowing the prices that have already been sworn to that they get for lumber on the cars?—A. But the price quoted is not the price sold to the mills through the loggers.

Q. It is made up to a higher rate through going through the hands of middlemen. If that is what the loggers supplies them for that ought to be their value?—A. The millmen don't, as a rule, handle the logging business as I do. They usually have their

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own camps. I finance the loggers and make a specialty of that. The millmen don't do that as a rule.

By the Chairman:

Q. Do you give as an average, say on cedar, \$9?—A. I should say in the price of manufacturing cedar, \$8. That does not include the cost of selling and office expenses. The cost of manufacturing fir is less than cedar.

By Mr. Herron:

Q. The cost of this is \$10, according to your figures. At what would they be laid down for—\$4 or \$5 for manufacturing, that would make \$14 or \$15, and would still leave a very large profit for somebody?—A. You cannot manufacture cedar for anything like that. The cost to me of manufacturing small timber is less because the machinery is less complicated.

By Mr. Lancaster:

Q. You say \$8 does not include office expenses or the cost of selling?—A. No.

By Mr. Herron:

Q. Is there not quite a large percentage of that large timber that sells at very much higher prices than the average run of timber? Is it not what we call uppers?—A. You mean cedar?

Q. Yes?—A. The kind I have is ordinary camp run.

Q. Some one stated here from five to twenty-eight per cent of the first-class timber sells at very much higher prices?—A. Some sells at more than others, some at \$35 and some as low at \$6.

Q. But the percentage runs high?—A. The clear runs high and the rough runs low. Some of it very low, in fact it hardly pays to handle it.

Q. What do you estimate the cost of selling to be per thousand?—A. I would say, roughly, office expenses and selling would be about 50 cents a thousand.

Q. You say that includes office expenses and selling?—A. Yes. That is just my impression, I have not got figures.

Q. You cannot say how it is arrived at?—A. No, that is just speaking roughly.

Q. That is reasonably correct?—A. I think so.

Q. You mean that is the average?—A. That is the average of Number 1, Number 2, Number 3, and all.

Q. You are a member of this association?—A. I am.

Q. A member of the Retail Association?—A. No, sir.

Q. You heard the prices stated as to what the charges were to the consumer in different places?—A. Yes, sir. I heard that from Mr. Wilkinson only.

Q. Do you, then, agree with this statement, do you agree with his idea of profit?—A. No.

By Mr. Lancaster:

Q. What do you say is a reasonable profit?—A. I would say 20 per cent was a fair profit.

Q. As a retailer?—A. Yes.

Q. Gross?—A. Gross.

Q. You would pay office expenses out of that, and everything?—A. I think so. I think a fair price is on the 20 per cent basis. I do not quarrel with Mr. Wilkinson's success, but as far as we are concerned, we could not get those prices. I am only giving it, as I have talked to several dealers, since I came here, about Mr. Wilkinson's evidence.

By Mr. Herron:

Q. You do not think that the Manufacturers' Association has in some degree assisted the retailers in coming together and giving them the privilege to charge this

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high price? Just because you have this association, to some extent they have, according to the evidence we have before us, the Manufacturers' Association has refused to sell lumber to any yards that are not members of the association. We have evidence to that extent?—A. All those things are new to me, about not selling to non-members of the association. I have been a member of the association for about a year, and we sold to any man who had a yard or who would pay for the lumber and stated that he was going to start a yard and wanted lumber, and nothing was said as to whether he was a member of the association or not. The only question there was, was if he were financially responsible, and if he was going to put in a yard.

By Mr. Sloan:

Q. I notice here that it speaks of the British Columbia Loggers' Association. Do you know anything about that?—A. Yes, sir. There is an association called the British Columbia Loggers' Association, and I am also a member of that. This association is called the British Columbia Loggers' Association, to which I also belong.

Q. Where are the headquarters of this association?—A. Vancouver, B.C.

Q. What is the object of the association?—A. The object of this association was to aid the members in getting lumber and to use their influence in regard to legislation regarding the timber and logging interest, and to look after their interests generally.

Q. Have you an understanding about the price of logs?—A. No, each man sells as he likes at what price he likes.

By Mr. Lancaster:

Q. Don't you discuss prices in your meetings at all?—A. Yes.

Q. Don't you fix the price list?—A. No.

Q. What discussion do you have about prices?—A. We talk over the prices and times.

Q. You talk it over. It is a mere matter of gossip?—A. No, it is just an exchange of ideas as to what the log market is and the probabilities of the future.

Q. You advise nothing as to what price is to be asked?—A. No, we don't. Each man gets the price he can.

Q. Are you sure of that?—A. Perfectly sure.

Q. There is never any discussion as to uniformity of prices?—A. Never such a thing as that: it was thought of, but it was considered impracticable. We didn't think that the members would adhere to any price list.

By Mr. Sloan:

Q. How do you usually sell these logs?—A. Sometimes in the camp to millmen and sometimes at the mill.

Q. Subject to government scaling?—A. Sometimes subject to government scalers, but sometimes the millers and loggers like to have their own scalers.

By Mr. Fowler:

Q. You have a secretary of your association?—A. Yes, sir.

Q. Is he a paid man?—A. Yes.

Q. How much do you pay him?—A. I think \$50 a month.

Q. What are his duties?—A. His duty is to attend the meetings of the association.

Q. You have got a local office?—A. Yes.

Q. What do you have that place for?—A. Such members of the association as want men can go to the secretary and he will look up men for them.

Q. How does he look up men?—A. When a man gets discharged he quits and goes to town, and some of them will go on the spree, and afterwards is ready to take his new job. The usual thing is for the secretary to round these people up, and sometimes he escorts them to the point of departure and sees them safely off.

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Q. He is not supposed to Shanghai them?—A. Well, even that is done.

Q. And you still call him secretary of this association?—A. It is the only name we have had for him. His principal duty is to get men for the members of the association.

By Mr. Sloan:

Q. I suppose a man comes to town with lots of money, and when his finances have run out he goes to the association as a right?—A. We usually have to pay their fare up to the camp.

By Mr. Fowler:

Q. You charge that up to them?—A. Yes, sir.

By Mr. Lancaster:

Q. With regard to the secretary. What are his other duties?—A. He attends to the correspondence, and answers people who write to him wanting work.

Q. What other letters would he get from any associations or people?—A. Well, I really don't know.

Q. Does he get letters from the millers?—A. Not generally from the millers themselves. This is a loggers' institution.

By Mr. Fowler:

Q. Does he get a list of men?—A. If he wanted a few men he knows where to go for them.

Q. How often do you meet?—A. About once a month the executive meets, and sometimes there is a special meeting between if anything calls for it.

By Mr. Lancaster:

Q. Have you any by-laws or constitution?—A. We have just drawn up by-laws and constitutions; prior to that we didn't have any.

Q. Where are they?—A. In the office.

Q. In the custody of the secretary?—A. Yes.

Q. What is his name?—A. I don't know.

Q. You don't know?—A. No. He is a new man. I have been once to the office and saw a new man there.

By Mr. Fowler:

Q. Are you on the executive committee?—A. I am.

Q. President?—A. No.

Q. Who employs the secretary, the executive?—A. Well, there is a secretary, but he does not get any pay, but employs a man on a salary.

Q. Who is the honourary secretary?—A. Mr. J. Buch.

Q. But who is the acting secretary?—A. I don't know his name.

Q. When were these by-laws got up?—A. About two or three months ago.

Q. Have you a copy?—A. I have not.

Q. Have you never had one?—A. Yes, I had, because I helped to get them up.

Q. What happened to that?—A. It is in the office of the association.

Q. Have you not got one of your own?—A. No. It was just this way, we arranged to have the association incorporated; it was never incorporated, but just a go-as-you-please association.

Q. Well, you went to the trouble of making this constitution and by-laws two or three months ago to settle that go-as-you-please?—A. Yes. We found that every person was individually liable for any mistake that the association might make, and we wanted to change that.

By Mr. Sloan:

Q. Were those by-laws printed?—A. No. We have just completed the arrangements, but are not incorporated yet.

By Mr. Fowler :

Q. It is not gone the full time yet?—A. Well, no, it is all arranged and the form is agreed upon, but it has not been formally passed by the association.

By Mr. Lancaster :

Q. It was submitted to counsel, was it not, to see if there was anything illegal?—A. We have nothing illegal, but it might not be in proper form.

Q. I should think, then, that there was less need to take it to a solicitor if you were satisfied there is no illegality?—A. We wanted to see the incorporation complete.

By Mr. Fowler :

Q. You took it to counsel?—A. Well, we had not submitted it to him when I left.

Q. When did you decide?—A. To take it to counsel?

Q. Yes?—A. Perhaps three or four—about three months ago, we arranged to incorporate the association.

Q. When was it decided to submit the by-laws to counsel?—A. They were not submitted when I left.

Q. When did you decide to do that?—A. We decided to have a constitution and by-laws.

Q. You said that it is only this year, that you had only just drawn up these by-laws, when was it that you decided?—A. The time we decided to incorporate was at the annual meeting, and it was the duty of myself and two others to get up the by-laws and constitution so as to submit them to the meeting three or four weeks after that.

Q. Some time in February?—A. In the latter part of January. The president of the association was to take the matter up and go to a lawyer about it, and we went around to find a lawyer who would do it cheapest.

By Mr. Lancaster :

Q. Who is your president?—A. Capt. Magneson. He is a Swede.

By Mr. Fowler :

Q. Is there any discussion at your meetings as to having a general overhauling of the lumber conditions?—A. We have never spoken of or considered that.

Q. You didn't discuss that at the time when you were talking about submitting the constitution to the lawyer?—A. No.

Q. You didn't think it worth while?—A. No.

Q. You don't object to the lumber conditions?—A. Well, the loggers don't feel any interest in this committee.

Q. How many are there in this association?—A. Members of the association?

Q. How many members are there in the association?—A. I could not tell you correctly; I should say about twenty.

Q. Members in different parts of the country?—A. All up and down the Coast.

Q. Are there many millmen who are members of the loggers' association?—A. I am the only millman, I think, in the association.

Q. You know any of the other officers besides the secretary?—A. Capt. Magneson is president, J. Buch is secretary, and then there is the executive committee.

Q. Who are they?—A. Amongst them is a man called T. F. Patterson and another, C. A. McKinnon. There are nine or ten altogether.

By Mr. Lancaster :

Q. Have you any objection to getting a copy of the by-laws and constitution from the secretary?—A. Not a particle.

Q. Will you undertake to get one?—A. I will write and ask the secretary to send one, or your secretary can write and say that I want him to send one.

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By Mr. Sloan :

Q. Now, you have told us that you had gone into business at Nanaimo. How long have you been at it?—A. About nine months.

Q. When did you sell out that business?—A. Last August.

Q. Why did you sell to Mr. Emerson?—A. I bought originally expecting to keep it on as a business, but I found the results were not what I anticipated, and I sold out.

Q. You were not making the financial results you hoped?—A. It was not doing any good to me.

Q. You were having the same experience as the former owner?—A. It was not quite so bad as that.

By Mr. Lancaster :

Q. You had two strings to your bow?—A. I had more strings to my bow than the former owner, but I found that I would rather sell logs than saw them up in that mill.

By Mr. Sloan :

Q. How long have you been in the logging business?—A. I have been mixed up in the logging business about thirteen years.

Q. Have you got sufficient knowledge of the sawmill business to be able to give a good idea as to the money made by the sawmill men in the last ten years?—A. Judging by my own experience and observation, I would say that they have not been getting much, as a rule. They have not been getting rich fast.

By Mr. Lancaster :

Q. Have they been getting rich slowly?—A. Well, very slowly.

Q. Do you want us to take it literally that they have been getting rich slowly, or do you mean that they have not been getting money at all?—A. They don't appear to me to be getting money fast because I know mills to which I sold logs years ago and took paper in payment, and I still sell on the same terms.

By Mr. Galliher :

Q. You are still asked to take paper?—A. Yes.

By Mr. Sloan :

Q. Is that another reason why you were not in a hurry to get into the saw-mill business?—A. Yes.

By Mr. Fowler.:

Q. Would that not apply to some men who are not good business men?—A. Take a man with proper capital and business ability, can he make money?—A. I think this. I don't think that the mill business is productive of a big profit.

Q. What is your idea of big profit. Men have different ideas as to that, and one may think he is making money fast when others would think it was very slow. Can-not you give us some percentage?—A. If I see a man borrowing money ten years ago to carry on his business, and find that after ten years hard work he is still borrowing money, well, I think it is a poor business. I should think that a man should make enough money in ten years to get out of the hands of the bank.

Q. If a man is still borrowing at the end of ten years you think it is a poor business?—A. Yes.

Q. Do you know any lumbermen, in your experience, do you know any lumbermen in the country, anywhere, who have not to go to the bank at some parts of the year?—A. I do. I know some.

Q. In British Columbia?—A. Yes.

Q. Then they are a great deal better off than they are in the east?—A. There are

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very few. I was asking Bradstreet's representative in Vancouver how many lumbermen he knew who were not borrowing money, and he said that there were only three he knew of. A few days later I was speaking to a banker and quoted what Bradstreet's man told me and he said that he believed it was true and told me who they were.

Q. They were three mills who had borrowed and were not borrowing now?—A. Three mills that were not borrowing.

Q. They were men who had formerly borrowed money and had now succeeded so well that they don't need to borrow?—A. No.

Q. They never borrowed?—A. I don't think so.

Q. What percentage do you consider a fair percentage?—A. I think that a man who is running a saw-mill as an investment should make 20 per cent.

Q. On the whole operation?—A. Yes, sir.

Q. On his mill, lumber and everything?—A. Not the lumber, but just the mill.

Q. You would not allow any profit on the lumber at all?—A. His limits are supposed to grow in profit by the increased output of timber.

Q. Are they supposed to grow so well as to make up for this unnatural depletion. If you are cutting fifteen million or twenty-five million a year out of the limits you have to carry a large amount of limits in order to keep pace with the depletion?—A. The method is for a millman to charge stumpage against his profits. Of course, a man can have his own lumber without having mills.

Q. You have to charge up to the operation a certain amount for stumpage, but is not that only a matter of bookkeeping?—A. A man who has a mill can figure so much on the mill and so much on the timber?

Q. I know that, but that is only a matter of bookkeeping. If you charge a certain amount for stumpage that is a charge against the mill for carrying the limit?—A. They usually go separate.

Q. I know that they are figured out separately, but doesn't it come to the same thing?—A. I don't think so, because they can have a timber limit without a mill at all.

Q. If it is charged up to the camp what is paid with regard to lumber that would be taken off the lumber moved. You say that you charge a certain amount for stumpage?—A. I don't charge any.

Q. I am not speaking of you, I am speaking of the millmen?—A. It really is not clear to me.

Q. When you cut a certain amount of lumber, I am speaking of the millmen who cut only his own lumber, say twenty million feet, he makes up what the operation costs? Does he include in that amount anything for stumpage?—A. If he takes off his own lumber off his own limit he will charge stumpage against the mill profit.

Q. What is usually done is to sell the finished logs to the mill and charge them up at current prices. For instance, the mill may have logs at the mill worth ten dollars and they are charged at the market price \$12, have they a logging profit and a mill profit?—A. They have a profit coming to the camp.

Q. If you are a logging man and a millman you would sell logs to the mill at current market prices?—A. I thoroughly understand that. The profit of \$2 would go to the credit of the timber account.

Q. And be charged up to the mill?—A. The charge to the mill for logs would be just the same as if they had to buy them.

Q. Therefore, what I state is exactly the case, and that it is only a question of bookkeeping?—A. Yes, you can put it so if you wish.

Q. What profit do you say a man ought to have, counting all these things?—A. Considering the risk a millman runs as to the depreciation of his stock and hard times, in good times he ought to have twenty per cent.

Q. Net?—A. I think he should. Of course, there comes times when a millman makes nothing, and in good times he should have twenty per cent profit in order to have something to tide him over the bad time.

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Q. What amount of profit per thousand would be required to make up twenty per cent?—A. Well, I don't know exactly. It would take me a little time to figure it out.

Q. Well, if logs sell at \$22 and cost \$17 counting everything, there would be five dollars profit. Would that make 20 per cent?—A. It would make more.

Q. \$5 would be more than 20 per cent?—A. Oh, yes.

Q. What per cent would \$5 make?—A. The \$5 profit. It is an impossible thing to imagine.

Q. Is that so? You told us about this this morning?—A. I didn't tell you that. I told you that it was not including the profit on the logging and drawing, and that was also not including the different costs of office expenses and selling expenses.

Q. Do I understand the difference between \$9 or \$8 and \$17 would be the profit?—A. \$9 was the net cost to me, and \$8.14 was the cost of manufacture.

Q. Then what you say is the mill ought to get 20 per cent. You don't mean that 20 per cent to cover the profit on the logging. You only mean the profit on running the mill?—A. Yes.

Q. And if you have 20 per cent on that how much ought you to have on the logging, 20 per cent too?—A. Well, certainly.

Q. Take the case of millers who have their own limits. I say that they make two profits?—A. Yes.

Q. That is 40 per cent?—A. I don't think so.

Q. Would it be about 40 per cent?—A. I have not figured it out. I should have to do some figuring before I could answer.

By Mr. Lancaster:

Q. The millmen, as a rule, do not log?—A. Some log a part and some buy a part.

Q. Most of them do not log?—A. Most of them buy their logs.

By Mr. Fowler:

Q. On the Coast—A. On the Coast.

By Mr. Lancaster:

Q. Do the larger proportion buy logs?—A. It cuts both ways. There is no mill except my own but what buys logs.

Q. You were speaking of the Coast?—A. Yes.

By Mr. Schaffner:

Q. Do you know something of the grades of lumber and the cost delivered on the car?—A. I am not an expert lumberman; I know more about logs.

Q. What would be the cost of half-inch lap delivered on the cars, the cost of production?—A. I don't know how to answer your question. The lumber is sawn out of the logs and the different grades segregated. I can really not answer properly questions as to shiplap.

Q. In a general way?—A. Some is sold per thousand surface measure, half-inch is charged as board measure.

Q. Well, shiplap board in half-inch?

By the Chairman:

Q. All finishing?—A. It is counted by the thousand.

By Mr. Fowler:

Q. Only half-inch?—A. Half-inch with bevelled sides is an inch board split in two.

Q. And you get double the price?—A. Double the price.

By the Chairman:

Q. It is the same as ceiling?—A. Yes.

By Mr. Sloan:

Q. Well, you sell by surface measure and get the same price?—A. Only half-inch, and of course there is the cost of manufacture.

By Mr. Fowler:

Q. What price would you sell this inch stuff at?—A. You mean inch stuff clear?

Q. Call it clear?—A. Manufactured clear cedar is worth about \$40 a thousand.

Q. One inch thick?—A. Yes.

Q. And when you split it?—A. It is sold for from \$15 to \$25.

Q. I would like you to pick out of this some prices (indicating price list)?—A. You had better get Mr. Lewis to do that.

Q. Could you not tell us the difference in these things?—A. I don't know much about it myself, I am only just in the business.

Q. 'British Columbia lumber, No. 12, 1906.' You are not able to tell us about that?—A. I suggest that you ask Mr. Lewis about that; he has got it all at his finger ends.

By Mr. Herron:

Q. You are quite sure that it is a fact that you sell half-inch stuff, that you sell all half-inch boards at the same price as inch stuff?—A. The price is based on the price of inch stuff.

Q. I understood you to say before that you got the same price for half-inch as for inch?—A. But you are wrong on that.

By Mr. Fowler:

Q. Let me point out the rule to you here: 'Half-inch straight, \$5 a thousand less than the price for one-inch.' Does that mean that it is the same price, less \$5 a thousand? Is that correct?—A. No.

Q. It is not correct?—A. Perhaps there is some explanation for it. Inch lumber, clear cedar, is worth about \$42 a thousand, and from \$42.50, and half-inch bevelled, I think, \$26 a thousand to as low as \$15.

Q. And for the others?—A. \$40 to \$50. I am not quite sure.

Q. Is \$40 the lowest?—A. I think so, for clear cedar, four-inch, and that for half-inch it runs from \$15 to \$26.

Q. You would pay \$15 for half-inch per thousand?—A. Short lengths are sold for about \$15 and long lengths for \$26.

Q. Would not short lengths an inch sell for correspondingly low prices? Do you sell no short lengths in inch?—A. I don't think so.

Q. Then, you can't explain what is meant by this half-inch, \$5 a thousand less than inch?—A. I am dealing with the facts as I know them.

By Mr. Lancaster:

Q. What that means is, that you get \$40 for inch for the same quantity of lumber you would pay \$70 for in half-inch?—A. I don't know.

Q. That is, the quantity of lumber in half-inch stuff would be half that in a thousand feet of inch stuff, and if you get \$40 for inch stuff in half-inch, you get \$35 for the same amount of surface measure in half-inch?—A. We would get more than that.

Q. With the \$5 taken off?—A. I don't understand.

Q. The same quantity of stuff put in half-inch boards would fetch \$70 as would fetch \$40 in inch boards?—A. Yes, if you take that figure, but it is not so in practice.

By Mr. Sloan:

Q. This inch lumber has been sawn?—A. It has been dried, resawn and planed, and it takes about 15 per cent of the cost to trim it.

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Q. Would 15 per cent be enough for that?—A. I believe it would hardly be enough.

Examination adjourned.

WM. ROBINSON SWORN.

By Mr. Lancaster:

Q. What is your name?—A. William Robinson.

Q. Where do you live?—A. Winnipeg, Man.

Q. Are you in the lumber business?—A. Yes.

Q. Retail or wholesale?—A. Both.

Q. How long have you been in that business?—A. More than twenty years.

Q. Always in Winnipeg?—A. I do business in Selkirk and the Beach.

Q. How long?—A. At Selkirk more than twenty years, at the Beach three or four years.

Q. Where do you buy your lumber?—A. I make some of it and I buy some. Some from Rat Portage and Rainy river.

Q. You make some yourself?—A. Yes.

By the Chairman:

Q. Any spruce?—A. Yes. I buy pine from British Columbia.

By Mr. Lancaster:

Q. Has there been any particular raise in price in the past year or two?—A. Yes.

Q. Startling?—A. Well, no.

Q. Can you tell us when they have been?—A. Well, I think it came the year before last, about 1905, I think, when it commenced.

Q. How much of a raise was that?—A. I could hardly say. I made a comparison of lumber six years ago with lumber of the present time, and it cost me to make it about one-third more. Lumber that we used to make at \$12 costs us now \$18.50.

Q. To produce?—A. Yes.

Q. What is the difference in the prices in the same six years? Will you give me those figures again? Six years ago how much?—A. \$12; that is for spruce.

Q. And now?—A. \$18.50.

By Mr. Sloan:

Q. That is what it costs you to manufacture?—A. Yes.

By Mr. Fowler:

Q. How do you make these figures up?—A. It costs us \$6 now to take logs out to the mill, while it used to cost us \$3.

Q. What is your next item?—A. \$1 a thousand for dues. Some paid \$1.50.

Q. Where do you take it to?—A. Selkirk.

Q. That is \$12. What is your next item?—A. For charges, \$5.

Q. What is that for?—A. That includes a great many things: insurance, the ground to pile it on and handling.

Q. But the piling ground is surely part of the plant?—A. You do not get that for nothing.

Q. But you do not charge for piling ground when that is part of the plant?—A. You have to charge for anything you do not get for nothing.

Q. How much do you charge for piling ground?—A. I did not separate them.

Q. Then you are jumping at this \$5, are you?—A. No, nor running either.

Q. I want to know how you make up this \$5. You cannot come here and dump a charge and try to bolster it up?—A. Why should I bolster it up. I do not belong to the association.

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Q. When you tell me you charge for that it looks very like it?—A. My subpoena did not ask me to bring any papers.

Q. Then you say you cannot tell?—A. I say I have my book here, and I have endeavoured to figure up as best I can. I am giving you the best I can. I will give you item by item if you will allow me.

Q. I want you to tell me how you make up that \$5. Now, give us the different items. You said there is piling ground; give us another?—A. Handling round the yards.

Q. How much for handling round the yards? That means I suppose unloading out of the steamer?—A. Unloading out of the steamer and carrying to the yard costs \$1.50.

Q. That is another item?—A. Yes.

Q. That is not a portion of the \$5?—A. No.

Q. What do you mean by this handling round the yards?—A. You have to pile the lumber in the yard. Then it has got to be dried and sorted to go through a planing mill.

Q. You do not dry it then before you ship it?—A. We try to.

Q. Do you redry it? We have the lumber at the mill, and we have got it across the lake and handled it and carried it up to the mill; now, what next?—A. But it is not fit to ship when it comes in, it is rough.

Q. I understood you to say that you shipped the lumber green from the mill?—A. Yes.

Q. You ship it green from the mill and bring it to your yards at Selkirk by steamer?—A. Yes.

Q. Well, what do you do next?—A. The lumber lies there until it is dry. You have insurance. You have to take this lumber back again.

Q. How much do you allow for insurance?—A. I cannot tell the insurance separately.

Q. How do you know this item comes to \$5?—A. A man who is doing business has a way of getting at that.

Q. How are you going to get at it?—A. I could send you a statement.

Q. I cannot understand why you cannot give those items. I wish to know how you make up that \$5?—A. I cannot tell you each item.

Q. You have told me of three items. Are these the only ones?—A. There is planing, shipping and selling, and then those charges.

Q. How much for planing?—A. I cannot give any of those items separately.

Q. You cannot tell how much it costs for planing?—A. About \$2 a thousand, I should say.

Q. Is that a fact?—A. Yes, sir. I question whether it will do it.

Q. We have had some evidence of planing being charged at 60 cents?—A. We cannot plane spruce lumber for 60 cents.

Q. I know what it costs to plane it, and it does not cost that or anything like it in the country, I know. \$2 for planing. That would leave \$3 for piling ground, handling around the yard and insurance?—A. And the office work; and then you have men to look after the yard.

Q. How much do you allow for a man to look after the office?—A. I cannot separate it.

Q. How much do you handle?—A. I handle about ten millions a year. That is what I buy from the other mills and handle myself.

Q. And that costs you \$18.50?—A. No, some more, some less. What I make costs \$18.50.

Q. What proportion of the ten millions do you make yourself?—A. About two millions.

Q. What does that lumber bring in the market?—A. We sell it from \$20 to \$26. The average is about \$22.50.

Q. That gives you a profit of \$4 a thousand.

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Q. That is what you get?—A. Yes, sir.

Q. \$6 for the logs?—A. Yes.

Q. That is what it came to last year?—A. Yes, \$6 and \$1 for government dues.

Q. Is this provincial timber?—A. No, sir, Dominion government timber. We have two ways. Some of the timber is cut on license and some on a permit.

Q. You do not have a license?—A. On some of the limits we do. I am referring to the one we have no license for.

Q. What is the next charge?—A. \$1.50 for bringing down the logs; \$3.50 for sawing.

Q. That is \$1.50 a thousand?—A. For putting it into the yard; taking it out of the barge and putting it into the yard.

Q. It is your own boat?—A. Sometimes.

By Mr. Sloan :

Q. How many miles do you bring it?—A. Inside of a hundred miles.

By Mr. Fowler :

Q. That puts it in your yard. The next is this \$5, and then you have \$1.50 for something else?—A. That is all. It takes \$1.50 to take it from the steamer into the yard.

Q. Would you have to carry it any distance?—A. Yes, we throw it off on to the bank and sometimes team it.

Q. How far?—A. Oh, probably a quarter of a mile.

Q. Now, the steamer charges \$1.50 a thousand just for carrying?—A. Yes.

Q. Not for unloading?—A. They do not touch it.

Q. Then, to unload it and put in the yard would cost \$1.50 a thousand?—A. Yes.

By Mr. Galliher :

Q. Most of your sales are what you call retail sales?—A. Yes, a big portion is retail.

By the Chairman :

Q. Do you mean you sell that for \$22.50 retail?—A. That is the average. Some of it runs up to \$26.

Q. It is the actual retail price?—A. Yes.

By Mr. Fowler :

Q. What does this milling cost?—A. Which milling do you mean?

Q. Milling at the first mill?—A. We just saw in the rough.

Q. That costs \$3.50 a thousand?—A. Yes.

By Mr. Herron :

Q. Let me draw your attention to a comparison of prices where I live. They draw lumber for two and a half miles up as bad a road as is to be found in this country and pile it in the yard for \$1.50?—A. The difference is this, that in your district the lumber is sorted and they have nothing to do but take it from the steamer and put it in its place. Ours has got to be sorted.

By the Chairman :

Q. And after it is taken off the boat?—A. It is all mixed when it comes off the boat.

By Mr. Lancaster :

Q. How long would it take a man to unload a thousand feet of lumber?—A. We would not take a thousand feet. We would have two thousand feet.

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By Mr. Herron :

Q. But you make a profit out of this sorting?—A. If we get \$4 a thousand we think we do very well.

By Mr. Sloan :

Q. What do you do for horses?—A. The horses are my own.

By Mr. Lancaster :

Q. If it is only a quarter of a mile you will make many trips in a day?—A. You cannot handle at less than \$1.

By Mr. Sloan :

Q. How much would a team cost?—A. A good big team would cost \$5.50 a day. You cannot take off lumber from a boat the same as you would from a car.

By Mr. Lancaster :

Q. Would it be mixed up when loaded?—A. Yes, when loaded and when thrown on the bank.

Q. But would it not be put in the steamboat all of the same kind at once?—A. It is put in any way.

Q. Is it not natural that the same sort of lumber would be put in at the same time?—A. Lumber that is not sorted all goes into the boat at the same time.

Q. I do not see how it becomes unsorted?—A. We have to sort it when it comes to Selkirk.

Q. But why is it mixed up at the beginning?—A. We find it most convenient to throw it in a loose pile. Whenever there is a boat ready we take it away. It is brought to Selkirk and thrown on the bank. Then it is sorted and we take it up round the yard.

Q. But supposing you were sawing inch cedar, would that not go to the same place?—A. You cannot saw up lumber in that way.

By the Chairman :

Q. You simply throw it out on a pile?—A. Yes.

By Mr. Galliher :

Q. If I understand you, in sawing a log you have different sizes?—A. A dozen kinds of lumber comes out.

By the Chairman :

Q. Then you sort it out?—A. After it comes to the bank we sort it.

By Mr. Fowler :

Q. What do you pay as wages?—A. We pay our men \$40 a month. That is team and axe men.

Q. What do you pay a sawyer?—A. \$5 or \$6 a day.

Q. Circular saw?—A. Yes.

Q. What do you pay other men?—A. From \$35 to \$40 a month.

By Mr. Herron :

Q. Teamsters and men handling around the yard?—A. Yes.

Q. What do you pay the foreman and engineer?—A. \$60 or \$65 a month.

Q. And the other men in the mill inside?—A. Unless they are in some particular place an average of \$35 to \$40 and their board.

Q. Outside of the sawyer and the engineer about \$35 to \$40 is the wages?—A. Yes.

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By Mr. Galliher :

Q. Settlers would get more?—A. Yes.

By Mr. Lancaster :

Q. How much would they get ?—A. \$50 a month.

By Mr. Fowler :

Q. Do you work ten hours?—A. Yes.

Q. And you say it costs \$3.50 to put it into the yard?—A. Yes.

Q. What do you cut it into?—A. Boards, dimension, a dozen kinds.

Q. Do you cut each plank ?—A. Yes. Of course a great many of those logs are much too small. Some would not make over two by four; narrow lumber costs one-third more.

Q. How many pieces to the thousand ?—A. About twenty. That is a pretty good average.

By Mr. Lancaster :

Q. You say that setting up small logs is one-third more?—A. I did not say setting; handling logs that come from the bush costs more if your lumber is narrow than it costs for wider lumber.

By Mr. Herron :

Q. It is slower to handle ?—A. Some men do not take very many pieces. If it is a big piece they have to take one, and in a day's work it amounts to a good deal.

By Mr. Fowler :

Q. And you say you cannot handle this lumber under \$1.50 from the yard ?—A. No, I say to take it away from the river bank and pile it and sort it properly in the yard costs about \$1.50.

Q. Is that just from the river bank ?—A. Yes.

By Mr. Lancaster :

Q. What do you mean by handling it around the yard?—A. When you have the lumber piled up some lies a year, some two years, some six months, and some three months, and you have only commenced to work at it. You have the interest on the money, you have the insurance, and then you have to bring a man and take this lumber down to the planer; some you will re-saw and some you will dress.

Q. You talk about taking it down to the planer. That is quite distinct from handling in the yard. What is this handling in the yard?—A. The lumber stays there, you have to market it, and the cost from the time that lumber is piled there to the time you get your money has to be figured up.

Q. I am not disputing that. You gave us an item handling round the yard as distinct from unloading from the steamer.

By Mr. Galliher :

Q. If I may be allowed to suggest, his yard is practically a retail yard, and the handling around the yard would be the same handling as a retailer would have in his yard.

By Mr. Lancaster :

Q. After he has got \$1.50, which includes certain items, he is charged as a reason for making up \$5 for handling around the yard. When the boat comes in you have to put this lumber on the bank. It is there on a pile. It is loose. And you have then to take that lumber and pile it up in the yard. Now, that charge of \$1.50 is finished and you say you want something for handling around the yard?—A. What we mean by other charges is all charges that come after this lumber is piled up.

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Q. And one is handling around the yard as distinct from the planer. What do you do with that lumber around the yard?—A. You have your foreman and your other men running this yard all the time.

Q. And what do they do between sorting it from the steamer and taking it from the planer? You cannot tell us any more about it?—A. Yes.

Q. Well then, how much do you estimate this handling around the yard?—A. These charges will amount to about \$5 by the time you have disposed of your lumber.

By the Chairman:

Q. There is only one item you have given separately?—A. The other \$4 covers the foreman, the clerk, the office charges, the insurance and the bringing it down to the yard.

By Mr. Lancaster:

Q. How do you know that it is not \$30 instead of \$3?—A. Because I know it is not.

By Mr. Fowler:

Q. I do not quite understand about this \$1.50. You say you charge \$1.50 from the bank?—A. From the boat.

Q. But you take it out of the boat. I tried to ask you some time ago?—A. We misunderstood each other. It costs sixty cents to put it on the bank and the rest to put in the yard.

Q. Do you pay by the thousand feet for the handling?—A. No, by the day.

Q. What would you pay these handlers?—A. About \$2 a day.

Q. How many thousand feet would two men dig out of the hold of a steamer in a day?

By Mr. Herron:

Q. Is it all done by hand?

By Mr. Fowler:

Q. Is this lumber on barges?—A. Yes, and in bulk, and there is a great deal in the hold.

Q. Supposing they are taking out of the hold of the vessel, how much would two men take out in a day?—A. Thirty men would take out of the hold and put on the bank a hundred thousand feet.

Q. It takes thirty men to handle that?—A. Yes.

Q. That is the best information you can give us as to how you make up the \$5?—A. Yes.

By Mr. Lancaster:

Q. But this \$1.50 for handling around the yard, you do not know what it is?—A. I did not say \$1.50 for handling around the yard. I say that \$5 covers the other items.

Q. Insurance, piling, handling around the yard, and office expenses?—A. And the shipping.

By Mr. Herron:

Q. What proportions do you get from your general cut, say of dimension stuff, shiplap?—A. You mean high grade. There is none.

Q. How much do you charge for general cut?—A. About \$26.

Q. What proportion of that have you got?—A. I suppose if we have sale for it with the shiplap we can make 20 per cent. But we do not always have sale for shiplap.

By Mr. Lancaster:

Q. At the beginning of your examination I asked you about the rise in prices.

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How many times have you raised your prices in selling during the last few years?—
A. I cannot tell you.

Q. A good many times?—A. I cannot tell you. Half a dozen times, I should say.

Q. You have to pay more for it, and therefore have to charge more for it?—A. Yes.

Q. Where do you buy most?—A. We buy about half from the small mills on Lake Winnipeg, and about five millions from the Coast and eastern mills.

By Mr. Lancaster:

Q. You buy some from British Columbia?—A. Yes.

Q. And from the eastern mills?—A. Yes. Rat Portage, Rainy River, and so on, any mill between there and Port Arthur.

Q. Did the prices in those places go up simultaneously?—A. I cannot tell you that.

Q. You were buying. You do not remember whether the prices went up in Rat Portage and British Columbia mills at the same time?—A. I do not know.

Q. What proportion did the price you had to pay to those mills advance over what they were a year and a half ago?—A. Probably about \$4 or \$5 within the last few years.

Q. And you cannot say whether they went up simultaneously?—A. I cannot tell you.

Q. Are you a member of any of those associations?—A. No.

Q. Of no association at all?—A. No.

Q. Neither milling or retail?—A. No.

By Mr. Herron:

Q. Do you retail up to the prices that the Retail Association yards sell at?—A. I do not know, I suppose we do. We pay some attention to what we understand is the price of lumber.

Q. Did you have any difficulty in getting the lumber from the Coast?—A. No, no difficulty at all. The people who sell the lumber are very glad to get their money.

Q. They passed a good many resolutions with regard to the Winnipeg trade; does that include you?—A. It did not affect us in any way.

Q. Would you not be part of that trade?—A. I do not think it.

Q. You had no difficulty in getting lumber at any time to Winnipeg?—A. I had no more difficulty in buying or selling lumber from Port Arthur to the Coast than if there was no association in existence.

Q. Did you pay a bigger price than if there had been no association in existence?—A. I do not know that.

By Mr. Sloan:

Q. Did you get a list from the association?—A. We wrote and got a list.

Q. Did they notify you?—A. They did not notify us, they did not even send a list until we tried to get it.

By Mr. Schaffner:

Q. I understand that you sold at the association price?—A. I do not know what the association prices are.

Q. I understood you to say you got the list?—A. Yes.

Q. What did you get the list for?—A. It is the wholesale list.

Q. Have you no retail list?—A. We have no retail list from the association; we have wholesale.

By Mr. Lancaster:

Q. Who makes the retail list?—A. My men, the managers of the business.

Q. You mean your own business?—A. Yes.

Q. Has that no regard to the association retail list?—A. Nothing at all.

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By Mr. Herron:

Q. You told me that you did?—A. We were speaking about wholesale.

Q. I ask you whether you sold up to the retail prices?—A. In the retail we have nothing to do with any association.

By Mr. Fowler:

Q. You never got the Retail Association price list at all?—A. I do not know anything at all about it.

By Mr. Schaffner:

Q. You do not know what the Retail Association prices are?—A. No.

Q. Never paid any attention to that?—A. No.

By Mr. Sloan:

Q. Are there other retailers doing business in Selkirk?—A. Yes.

Q. Do you meet with those retailers and fix prices?—A. I never discuss with them at all the prices.

By Mr. Herron:

Q. Are they members of the association?—A. I think so. I think the other lumber institution is a member of some association, but I do not know.

By Mr. Sloan:

Q. Do you ever buy lumber from the American side?—A. Yes, but not latterly.

Q. Any particular reason why you are not buying it now?—A. We are able to buy it cheaper on this side.

Q. Even at the present advances?—A. Yes.

By Mr. Fowler:

Q. There has been some evidence as to profit. What would you consider a fair profit from a manufacturer's standpoint?—A. You mean a thousand feet?

Q. Yes, say by the thousand?—A. You mean percentage?

Q. No, not by way of percentage, but \$1, \$2 and so on?—A. I should think if they get \$4 it would pay them.

Q. That is a fair profit?—A. Yes.

Q. Now, for the retailer, what would you consider a fair profit?—A. He should get twenty per cent.

Q. Would that be gross or not?—A. That is gross.

Q. You think he should have twenty per cent for the money he has invested and the risk and the time it takes?—A. Yes, but he would have office expenses, his men in the yard, his insurance and all such charges.

Q. You think twenty per cent would cover that?—A. I think so.

Q. What is your experience? Do they get more than twenty per cent gross?—A. I think they get less. I think from the two or three yards I have they sell a large portion of the lumber at less than twenty per cent. I think the big orders have cut on them and got them down to fifteen per cent.

Witness discharged.

Mr. DOUGLAS C. CAMERON sworn.

By Mr. Lancaster:

Q. Where do you live?—A. In the city of Winnipeg.

Q. What is your business?—A. A manufacturer of lumber.

Q. Anything else in connection with that? Do you log at all?—A. Yes.

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Q. Manufacturer and logger both?—A. We do most of our own logging.

Q. What is the name of your company?—A. The Rat Portage Lumber Company. We have a plant at Rainy River also.

Q. And you do your own logging?—A. Yes, and we contract sometimes.

Q. But you do it as a rule?—A. Yes.

Q. You said something about a branch somewhere else?—A. We have a plant at Kenora, Rainy River, Winnipeg, Vancouver and Harrison Mills, British Columbia.

By Mr. Sloan:

Q. You are operating these mills?—A. No, not operating.

By Mr. Lancaster:

Q. How many are you operating?—A. We operated at Kenora, one at Rainy River, one at Winnipeg, one at Vancouver.

Q. You are operating them all but the Harrison one?—A. Yes.

Q. What was the cost of logging to you, say two or three years ago, compared to now?—A. You mean where we do our own logging?

By the Chairman:

Q. That is on the Rainy River?

By Mr. Lancaster:

Q. But you do not do any logging except in the interior?—A. We do in British Columbia.

Q. Well, give us it in British Columbia?—A. We have been running one camp in British Columbia for the last three or four years, but I am not able to give you very good information with regard to logging in British Columbia. I do not think I could give you information that would be reliable.

Q. Then we will not bother you about that. Is there a gentleman here from your mill at all?—A. No, there is no one here.

Q. Do you know what your logs would cost in British Columbia?—A. I can give you some information with regard to the cost of logs. I might say that I was in British Columbia about two weeks ago, and our manager informed me that he had offered \$12 for logs and the logger would not deliver the logs. He took the lumber away and evidently got a higher price.

Q. You could not get logs for \$12, is that it?—A. Yes, that was a certain kind of logs.

Q. Were they a special variety?—A. They were cut logs, better than the average.

Q. But speaking generally, as to the ordinary logs you buy. Last season what would be their cost?—A. We had one contract made about twelve months ago at \$6, \$8 and \$10, to be delivered during the summer months. About four million feet.

Q. You got four million feet of logs last summer for how much?—A. According to grade, \$6, \$8 and \$10.

Q. And the year before what would you pay for the same logs?—A. I think that would probably be at an advance of from one to two dollars as against the year before.

Q. Do you think they would cost \$5, \$7 and \$9 the year before?—A. Yes. I think that would be approximately. That is only an opinion. I would not be definite on that.

Q. About a dollar less the year before?—A. Yes.

Q. Are you a member of a lumber association?—A. No.

Q. What is the name of your company again?—A. The Rat Portage Company.

Q. It runs under that name at all the places?—A. Yes.

Q. You are not a member of any logging association?—A. No.

Q. Do you know whether those prices were fixed by any association?—A. I never heard any discussion with regard to it.

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Q. Are you a member of the British Columbia Manufacturers' Association?—A. I believe our manager represents the company.

Q. Then your company is a member?—A. I think so.

Q. That is of the Coast Association?—A. The Coast Association, as it is called.

Q. You have not been at any of the meetings? You do not know what they do?—A. I was at two or three meetings. I was not there as a member. I was simply asked in.

Q. For what purpose were you there?—A. The discussion I heard was a discussion regarding their own folly, I might say, for selling lumber below cost, and there was not any business done at any of the two meetings I was at.

Q. Your manager always attended for you?—A. Yes.

Q. Were the prices advanced last year for logs? Were they advanced from time to time?—A. As far as the logging market is concerned it is a case of catch-as-catch-can.

Q. Were you surprised at any sudden advance? You describe it as catch-as-catch-can. That is that you go out and get the best you can?—A. We have a man whose business it is to visit our operating camps and buy whatever logs are required.

By Mr. Fowler :

Q. You are speaking of the Coast?—A. Yes.

By Mr. Lancaster :

Q. Do you call the man by any particular name who is in charge of the logging operations and camps, and what does he do besides that?—A. He buys logs from the hand loggers in small quantities.

Q. He visits your camps, I presume, to see how much you are able to buy and they go out and dig up the rest, and then he goes to other people, is that the idea?—A. Yes, that is the idea.

Q. Now, did you advance your prices in lumber selling to the retailers last year or the year before?—A. The year before we reduced them.

Q. Why?—A. Competition.

Q. Were you selling at a loss?—A. The year before?

Q. The year before you say you reduced them. Would that mean that you sold at a loss?—A. If a man does not consider that the capital invested in the business does not cost him anything we did not lose much. If our money was worth 3 per cent, then we lost money.

Q. Then calculating 3 per cent on your capital you say you lost money?—A. Yes.

Q. And that if you did not so calculate you did not lose money?—A. If we did not we did not.

Q. What amount of reduction was it?—A. I have some figures here. There is a history of the prices of lumber for the last thirteen years. The prices realized for lumber during the years 1894 and 1895 were: for 1894, \$17.70; in 1895, \$13.

By Mr. Sloan :

Q. That includes all your mills?—A. All the eastern mills, not Winnipeg, Rat Portage and Rainy River. In 1896 it was \$13.60; in 1897, \$13.62; in 1898, \$14.37; in 1899, \$14.49; in 1900, \$16.40; in 1901, \$15.50; in 1902, \$15.70; in 1903, \$17.80; in 1904, \$17.02; in 1905, \$17.06; in 1906, \$17.90.

By Mr. Lancaster :

Q. I see you reduced in 1903 and 1904, 80 cents?—A. Yes.

By Mr. Fowler :

Q. Would that always remain a reduction or would the different grades, would it vary?—A. These reductions would not be made uniform. Probably there would be

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a reduction of \$3 or \$4 on some kinds, and on others small increases even during the year that those prices were being reduced.

Q. Just according to the demand of the market?—A. Yes. Sometimes we have to ship to Chicago to get rid of some lines.

By Mr. Lancaster :

Q. What would your output be when you get the advance?—A. That would apply to an output of about sixty million feet.

The committee rose.

MONDAY, March 25, 1907.

The committee met at eight p.m., Mr. Greenway, chairman, presiding.

The examination of Mr. D. C. CAMERON resumed.

By Mr. Lancaster :

Q. When we adjourned you had just told me that the figures you gave of increases in the price of lumber applied to an output of about 60,000,000 feet I understood you to say?—A. In the year 1905, well between 60,000,000 and 70,000,000 feet.

Q. Would that be the output of one mill?—A. That applied to what we call our three pine mills.

Q. On the Coast?—A. No, at Lake of the Woods, Rainy River and Kenora.

Q. And did not apply to the Coast mills?—A. No.

Q. Would the same increase in prices you gave us apply to the Coast mills?—A. No, the increase is greater.

Q. You gave us the figures of a reduction in 1904 and an increase in 1900?—A. Yes, that only applies to the mills I have referred to, at Rainy River and Kenora.

Q. Rainy River and Kenora?—A. Rainy River and Kenora.

Q. What would you say as to the mills at the Coast? Were prices increased in the same way?—A. No, there has been a greater increase in price at the Coast.

Q. In 1906?—A. Yes, in 1906.

Q. There was a reduction in 1905?—A. Yes, there was a reduction in 1905.

Q. The Coast prices were reduced in 1905, how much?—A. Well, I could not give you the figures.

Q. Generally speaking how much a thousand?—A. I don't know whether I have any figures which will give the actual amount. You want the reduction?

Q. I want to know how much you reduced the price in 1905 at the Coast from the price you got in 1904, applying it as nearly as you can to the same articles you gave in these other figures before dinner? I suppose that was your average?—A. I think I will give you another set of figures with a view of giving you the information that you probably require as near as possible. I will give you the profits on the business if you like in 1905.

Q. I don't object to your doing that, but I would rather you would give me the amount of reduction?—A. I have not any data.

Q. You cannot tell us?—A. I cannot tell you.

Q. Tell us about what it was? A dollar a thousand?—A. In 1904?

Q. In 1905 over 1904?—A. That would be about it, I think, the average for the year.

Q. Would it be smaller?—A. It would be a smaller reduction in 1904, speaking from memory.

Q. And the increase in 1906, would that be about a dollar?—A. It is more than that—

Q. It is \$1.84 in the other mills?—A. The increase of our business, which is largely a retail business in Vancouver. Two-thirds of our business is in Vancouver.

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Q. You do not sell to the retailers, you sell to the consumers, do you not?—A. Direct in Vancouver. We ship about a third of our product.

Q. What would your price be at the coast? I want to keep you on the whole-sale basis for the present, on the stuff you shipped?—A. Our prices on what we shipped would be increased about \$2 from 1905.

Q. It was \$1.84 in the other mills, so the increase was pretty nearly the same?—A. About \$2.

Q. You said these other prices that you gave us would about pay, without any profit or loss, if you did not count anything for interest on capital?—A. In 1905?

Q. You said that in the reduction to \$16.06 you would not be running at a loss if you did not figure for anything on capital invested. What would be the amount of capital invested which produced in the mills lumber to the extent of 60 or 70 million feet?—A. Well, to give you the exact figures—I have a statement here that would probably give you the very information you are getting at, and make it more interesting and more definite.

Q. Just try it your own way?—A. If I do not succeed—

Q. I have no doubt you will tell us as much as you can.—A. If you like I will start in with 1904 and take three years. I had intended giving you the figures for the last three years.

By the Chairman:

Q. What years?—A. 1904, 1905, 1906.

By Mr. Lancaster:

Q. What are you going to give us, the figures of profit or loss?—A. I was going to give you the profit.

Q. Would you kindly, before you do that, give the amount of capital invested to produce that 60,000,000 or 70,000,000 feet we have spoken of?—A. I would have to separate in my mind, the other interests, which I suppose I can do.

Q. I wish you would if you could, please, for I have a very particular reason for wanting to know that?—A. It would be probably between \$1,300,000 and \$1,400,000 of capital belonging to the company invested in that business without the borrowed capital in connection with it. I believe the figures I have would give you just the information you are asking for, and give it to you in much more exact form than if I had to make these divisions in my mind while giving the evidence. I will be only too pleased to answer any questions afterwards.

Q. Well, give those figures then, if you prefer it that way?—A. During the year 1904, the total sales of my company—this covers all the plants—amounted to \$1,849,461.82.

Q. Are you going to put that statement in?—A. Yes, I will put it in after I get through.

By the Chairman:

Q. That covers the three mills?—A. Those are the sales of all the mills, all the business that the company did, \$1,849,461.82. The capital invested at that time—I am speaking now of the paid-up capital and what we call rest account, it is just the same as paid-up capital as far as this is concerned—amounted to about \$1,800,000, a little less.

By Mr. Fowler:

Q. Your sales then were about equal to your capital?—A. About equal.

By Mr. Lancaster:

Q. The reduction of price in 1905 of 96 cents, or practically a dollar a thousand, would have to pay about 3 per cent on twice that capital?—A. Yes.

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Q. 60,000 feet of lumber would mean \$60,000, which would pay 2 per cent on \$3,000,000. You increased the price afterwards by \$1.84 a thousand, so that your increase in 1906 would be about 3 per cent on twice your capital, or 6 per cent on your capital?—A. In 1906.

Q. Your increase from what the price had been reduced to in 1905?—A. You are applying your question now to the answer I gave you—

Q. I presume the capital was the same between 1905 and 1906, there was no change in capital?—A. Pretty nearly.

Q. You said that in 1905 you reduced the price to \$16.06, and then you increased it by \$1.84?—A. Not from 1904 to 1905.

Q. No, you reduced it, but you increased it in 1906 by \$1.84, making the price \$17.90. That would pay 3 per cent on twice your capital?—A. Be kind enough to give me the figures.

By Mr. Fowler:

Q. That would be providing the prices that go into the production of lumber had not increased and the operating expenses had not increased?—A. I want to be quite clear on this.

By Mr. Lancaster:

Q. I want to be quite fair and see that you understand it and that I understand you?—A. The price realized in 1904 was \$17.02.

Q. And in 1905 you reduced it to \$16.06?—A. Yes.

Q. Then in 1906 you increased that to \$17.90, which would be an increase of \$1.84?—A. Yes.

Q. That would pay 3 per cent on practically twice your capital?—A. Oh, yes, or more than that.

Q. Or six per cent on your capital?—A. More than that, I guess.

Q. Not far over?—A. Just about.

Q. I am not to understand from what you said before to this committee that your object in increasing the price was to give you three per cent on your capital?—A. No.

Q. In increasing you were trying to get some profit, of course?—A. Certainly.

Q. And you think before you reduced your price, in 1905, that you were about holding your own, as long as you did not calculate interest on your capital?—A. Well, I can tell you exactly what we did, if you would like to know that.

Q. Well, what were your costs and your receipts, if that is what you mean?—A. Our profit on lumber, during the year 1904, amounted to \$106,371.94.

Q. That was your profit in 1904?—A. Yes.

By Mr. Fowler:

Q. How about 1905?—A. If you will kindly let me give you these figures about as I have them; I put in a whole half-day's work on them. I know what you want, and I will give it to you, so that it will be far better for you; I have spent a lot of time on this.

By Mr. Lancaster:

Q. Certainly. Is this another statement you are putting in, or is it the same statement?—A. It is a different sheet to the one I put in before. I now put the statement in.

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EXHIBIT No. 77.

THE RAT PORTAGE LUMBER COMPANY, LTD.

MEMORANDUM of average prices realized for lumber during the years 1894-1906, inclusive.

Year.	Average Prices.
1894.....	\$13 70
1895.....	13 00
1896.....	13 60
1897.....	13 62
1898.....	14 37
1899.....	14 49
1900.....	16 40
1901.....	15 50
1902.....	15 79
1903.....	17 80
1904.....	17 02
1905.....	16 06
1906.....	17 90

I hereby certify and declare that the foregoing statement of gross average prices realized on total sales of lumber by the above company, during the years above stated, is true and correct, as shown in the books of said company.

(Signed) WM. ROBINSON,
Secretary.

Profit and Loss Account.

30th November, 1904.

Loss at Vancouver Branch.....	\$ 98 74
Nov., 1905—Profit at Vancouver Branch.....	13,280 77
Nov., 1906 “ “	73,045 34

Sash and Door Department.

1904—

Total sales.....	\$1,849,461 82	
Total profit.....	125,282 80	
Sash and door warehouse profit.. . .	18,910 86	
		106,371 94

1905—

Total sales.....	\$2,005,066 02	
Total profit.....	20,630 81	
Sash and door warehouse profit.. . .	16,997 68	
		3,685 73

1906—

Total sales.....	\$2,431,059 49	
Total profit.....	125,292 39	
Sash and door warehouse and factory profit.....	41,387 73	
		£4,004 66

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Capital, with Rest inclusive.

30th November, 1904.

1904—Capital, with rest included...	\$1,716,418 64
1905 " " ...	1,952,041 62
1906 " " ...	1,957,334 21

You will notice that the profit of lumber, on that output of lumber in 1904, was \$106,371.94.

Q. That is in 1904?—A. That is in 1904. That same capital was employed in the working out of a sash and door business.

By the Chairman:

Q. That is profits you mean?—A. Yes. I just want to give you additional profit we made out of that capital. You see I gave you the total capital, and then in order to show what return we got from that I want to give the total profit on all the business we have done. That is the only way we can give it to you so that you will know absolutely what we have done, and there is no thinking about it.

By Mr. Fowler:

Q. After all, is that important to this question?—A. I might say, Mr. Chairman, I want to give you these figures. If you will pardon me I will just make the statement and tell you why. It has been charged throughout the length and breadth of this great country that all the manufacturers of lumber and sashes and doors are in a combination—some illegal combination—or are working under some arrangement whereby they can unduly raise the price not only of lumber but of such commodities as we are producing, namely, sashes and doors. About a year ago, while the tariff commission sat in Brandon, before from 100 to 200 delegates representing the different farming communities throughout Manitoba, a number of statements were made by these gentlemen to the tariff commission, with reference to the excessive prices that the manufacturers of lumber were charging. I wish to mention particularly the statement made by the most prominent man at that gathering, other than the tariff commissioners, Mr. Edward Brown, of Portage la Prairie. He made the statement, in addition to the charge regarding lumber, that there was a combination and arrangements between the manufacturers and dealers in sashes and doors, as well as in lumber—mentioning the manufacturers. At all events, I presume there is a report of those proceedings in some of the archives of this building, because, I think, the proceedings and statements made there were taken down in shorthand and printed. That statement I took occasion to contradict positively and emphatically. Having been engaged in this very business for some six or seven or eight years, and having managed, I think, the largest institution of that kind between Lake Superior and the Pacific ocean, I thought I was in a position to know, and I felt very keenly when I made these positive and emphatic statements before that commission. I consider my statements were just as much statements as a man might make under oath and were just as binding upon me. After having made these positive and emphatic statements, I sat down, and much to my surprise Mr. Brown got up, and he said just as emphatically as I had stated, that notwithstanding my remarks—I am just giving you the effect of his words—he still believed there was a combination as between the manufacturers and dealers in sashes and doors. The reason he gave for that statement was—and I think there are one or two gentlemen here that heard it—the reason he gave was that he had been told that it was the case. Now, gentlemen, these statements have been made throughout the length and breadth of that great country for years, and so far as I know—having been engaged in the manufacture and sale of sashes and doors, having established the first large institution of that kind, if I may call it so, one which employs from 100 to 150 men—I know there was absolutely no arrangement. There are no two men manufacturing sashes and doors, that I know, in the whole of that country, that have the same kind of a list. I have two lists here—one published by the Hanbury Manufacturing

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Company and one published by my own company—and to save my life I could not tell from Mr. Hanbury's list what price he is getting or what price he sells at; if it were to save my life I could not tell. Of course we sell nearly, and practically, at the same price. Producing the same kind of goods and selling them in the same market we must of necessity sell them at the same price; it could not be otherwise. Now, gentlemen, I don't wish to take up your time, but I wanted to have this opportunity of making this positive statement on oath—

By Mr. Lancaster:

Q. There is no arrangement between the sash and door manufacturers?—A. Absolutely none; not any more and not any less than there is, so far as I know, for the maintenance of prices among the manufacturers of lumber.

Q. There is, of course, a millers' association, but there is no sash and door association?—A. None, whatever.

Q. So there is that distinction anyway?—A. There is. So far as the effectiveness of any arrangement is concerned, they are both absolutely on the same footing and foundation.

By Mr. Fowler:

Q. Mr. Cameron, just a moment. When you say there is no arrangement between the mill men for the maintenance of prices, you mean for the undue enhancing of prices. Is that what I am to understand?—A. Yes.

Q. Because you will admit, Mr. Cameron, and there is no reason why you should not admit, that there is an understanding among the millmen to maintain—A. To try and keep up prices.

Q. To try and maintain a certain price?—A. I know more from the evidence I have here than I knew before with regard to the Western association.

Q. As regards the Coast association?—A. Yes.

Mr. HERRON.—You are a member of your association?

Mr. LANCASTER.—It is fair to say, that although he is a member he is not an active one, and does not go to the meetings.

By Mr. Lancaster:

Q. What you contend is, it is not an association to unduly enhance the price, and therefore not illegal?—A. I wish to say this: That so far as I am concerned, as manager, director and president of the Rat Portage Lumber Company, that having been a manager and director for fifteen years, I have always done everything in my power to keep the price of lumber up.

By Mr. Fowler:

Q. Up?—A. As high as possible; there is no question about that; and probably I never tried harder than I have tried in the last three years. Now, I come to 1905, and with the capital already mentioned we sold \$2,005,066.02 worth of lumber and sashes and doors.

By Mr. Lancaster:

Q. In 1905 the same capital enabled you to do a business of \$2,000,000?—A. \$2,005,066.02.

By Mr. Fowler:

Q. That would be an increase of \$200,000?—A. No, a little over \$100,000—\$115,000.

Q. Did you have your sash and door business the preceding year?—A. Yes.

Q. You had it both years?—A. Both years. The total profit on that lumber, including the profits of sashes and doors, amounted to the magnificent sum of \$20,680.81.

Q. That is in 1905?—A. That is in 1905_____

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By Mr. Lancaster:

Q. That is lumber and sashes and doors taken together?—A. Yes.

By Mr. Fowler:

Q. Needless to say you did not get very much interest on your money that way?—A. That was the total profit on the turnover of \$2,000,000 in round figures. That is a little better than a fraction of one per cent of the capital invested in that business, and for the responsibility which they had in connection with very large borrowings indeed in addition to that, upon which certain individuals had to give a personal guarantee that it would be repaid.

Q. In addition to the—A. In addition to the security that could be given on that, these further guarantees were given to secure the payment, and for that we received the magnificent sum of \$20,680.81. But that is slightly misleading, because in the sash and door warehouse in regard to which no man could charge there was any combination and where there is no combination we were able to make \$16,997.68, leaving for profits on the sale of about 90,000,000 feet of lumber the stupendous sum of \$3,683.73.

By Mr. Lancaster:

Q. The inference from that would be that where there was no combination the profit was better than where there was?—A. Than where there was.

Q. You are not a successful combinstor?—A. Now, I wish to state, in support of the statement I made a few minutes ago, that if I were in a combination and had the power to fix a price, do you suppose I would be criminal enough to rob my stockholders to that extent for the benefit of any one. No. I think the consumers of lumber on the prairie, whether the consumer be a farmer or a lawyer, or even a doctor—

Mr. LANCASTER.—The lawyers never have anything to buy lumber with. It keeps them busy buying bread.

By Mr. Sloan:

Q. In making up your annual statement, would you allow anything for depreciation?—A. Yes, our custom is to write off on the plants where the timber is short lived or where the timber is being all cut away, about 10 per cent per annum; but of course that does not mean that the value of the plant is reduced on the books of the company by 10 per cent, because there are changes, permanent additions to the plant practically every year. It probably would amount to an actual writing off of five or six per cent.

By Mr. Fowler:

Q. A lot of this capital that you have employed is invested in your limits, is it not?—A. Yes. Probably of the capital invested now, amounting to nearly \$4,000,000, at the end of the year the limits that were held may have cost—oh, probably about \$700,000.

By Mr. Lancaster:

Q. Is that part of the \$2,000,000 you speak of?—A. No, that is borrowed money. We put the borrowed money into the limits.

Q. Then, subject to whatever increase of cost there might have been between 1906 and 1907 you were practically providing for an income, by your increase in price in that year, for an increase of about 7 per cent of your capital in 1906, were you not?—A. In 1906, yes.

Q. You had one per cent in 1905, and then you provided for about six per cent more on your capital by your increased prices?—A. By our increase.

Q. Less what the increased cost of production may have been?—A. I will give you just as exact figures in 1906, if you wish them. These are figures taken from the statement which has been made by our auditor.

By Mr. Fowler :

Q. A statement to the stockholders?—A. A statement to the stockholders. I would like to say before passing on that in 1905 although we show a profit on this lumber of \$3,000 if we had charged or written off our limits what the timber would have sold at—

Q. Standing?—A. Standing at the time it was cut, we would have lost somewhere in the neighbourhood of at least \$100,000.

Q. It was sold for \$1 a thousand?—A. In other words, if we had sold the timber standing instead of cutting it and selling it in lumber, I am within the mark in saying, we would have been easily \$100,000 better off.

Q. The other fellow would have lost then?—A. The other fellow would have been out on the lumber, because instead of getting it for less than it was worth he would not have had any at all.

Q. I am speaking of the man who would have had to pay the stumpage?—A. I am speaking of the consumer. Now, in 1906 our total sales were \$2,431,059.49. The total profit on that business amounted to \$125,292.39. During the past year, owing to the very large amount of building which has been done in Winnipeg, where we have not only a sash and door business in the ordinary sense, but a jobbing factory, the earnings of that part of the business—a turnover of probably \$500,000 altogether—amounted to \$41,387.73, leaving a balance of \$84,004.66, or as near as you can figure it, from 80 to 83 cents per thousand. Of all the lumber that we handled from the Lake of the Woods to the Pacific, 20 millions of that lumber were sold at retail in the best markets, the biggest markets we have, Winnipeg and Vancouver.

Q. Are you including the retail profit in that?—A. I am including the retail profit in that magnificent sum of money representing that capital.

Q. Which would be about 4 per cent on your capital?—A. Which would be about 4 per cent, leaving, of course, the sash and door business which gives about 6 per cent.

Q. It is about 4 per cent of the whole thing, is it not?—A. A fraction over 5 per cent on the volume of sales.

By Mr. Lancaster :

Q. The sales are half a million more than the capital? The sales are two and a half millions and the capital two million?—A. Yes, practically two million.

Q. Then between six and seven per cent is it not, on the capital?—A. The capital including what we call rest account in 1906 was \$1,957,334.21; practically two millions.

By Mr. Fowler :

Q. You got a little over six per cent did you not, on that amount?—A. Yes, it would be a fraction over.

By Mr. Lancaster :

Q. Can you separate the profit on lumber from the profit on your sash and door business?—A. The sash and door business gives a profit of from 8 to 10 per cent, and the lumber about 4 per cent, that is speaking roughly.

Q. That is on the output?—A. Yes.

Q. But on the capital invested it would be reasonable to suppose—A. That is roughly speaking on the capital.

Q. There is more capital invested in the mills?—A. Yes.

Q. Can you tell us roughly, how much of that \$2,000,000 of capital is invested in the mills?—A. Well, if the mills were valued at what they could be put there for today they would probably represent \$700,000 to \$800,000, but they are written down, the business is not good enough to value them at any such price. We have been writing them down as the timber is cut away in the vicinity of our plant. They probably represent in our books—the plant probably represents in our books—in the neighbourhood of \$500,000 altogether.

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By Mr. Fowler :

Q. How much is the rest account?—A. The stock issued is a million and a half. To explain myself, if you will pardon me, I would say that this business has been running since 1893, and so far no stockholder or director has received from the profits of sales of lumber or of sashes and doors, or any business in a manufacturing way that the company is engaged in, one single dollar.

By Mr. Lancaster :

Q. No dividend?—A. No. Not for nearly fifteen years. They have not yet received one dollar in dividends from the manufacturing part of the business. The company have been trading in timber, buying and selling timber in the State of Minnesota, and some five or six years ago, five years ago, they sold some timber they had been holding for some years at sufficient advance to enable the company to commence paying dividends. As long as that money lasted they paid some out of it. So long as the money they had earned in the purchase and sale of timber in Minnesota lasted they paid dividends to the extent that they could afford from that sale.

By Mr. Fowler :

Q. This rest account reads : 'Earnings of the business'?—A. That is for all those years.

Q. How much?—A. I do not wish to be understood as saying that the company ever paid in one and a half millions. The whole of the earnings of the business since its commencement have been less than one million, and from time to time as there has been money earned we issued stock for the dividends.

Q. That is you use the money for acquiring other properties?—A. Yes.

By Mr. Lancaster :

Q. It will be right in saying they have had dividends in the shape of more stock than they used to have?—A. Oh, yes.

By Mr. Sloan :

Q. Is your stock listed?—A. No, it is a close corporation.

By Mr. Herron :

Q. How much do I undersand you to say you have invested in limits at the present time?—A. These figures that I can give you are very rough. It is problematical, I do not know the figure, but I think it is about \$700,000.

Q. Is that timber situated in the vicinity of the mills, adjacent to your present mill?—A. The timber?

Q. The mills you are operating?—A. The timber we own is largely tributary to the plants that we now own.

Q. Those limits are increasing very rapidly in value, those you are not cutting?—A. They have increased in value. I think perhaps if you will pardon me I might add to my statement that owing to this rather poor showing within the last month we concluded, having done what I consider a very unsuccessful business for the last three years in comparison with other lines of business in this country, to sell the standing timber, and if necessary close up the mill; and we have sold a very large block of timber that would otherwise have been cut and sold in this Manitoba market. This timber was thought to be tributary to this market, but it has become so valuable for export that we have sold it to people in the State of Minnesota, and one of the parties lives in Chicago, with a view of paying the duty and exporting this lumber to Chicago.

By Mr. Fowler :

Q. They will have to pay the export duty on the logs?—A. I would like also to say for your information that during the past year considerable lumber has been shipped

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from Rainy River to Chicago. Low grade lumber that the people of Manitoba who are very particular about the grade they use, more particular than any other people on the continent of America, would not use. This lumber that they will not use is good enough for the people of Chicago, but it is not good enough for the Manitobans.

By Mr. Sloan:

Q. Are they making it into canned beef boxes in Chicago?—A. I do not know what they do with it, but they buy it.

Q. Do you know anything about the prices of lumber on the other side compared with the prices here?—A. The price of lumber in Minneapolis, of the class of lumber that we sell, I have a list here, I think, that will show the price. At all events, I will produce them here, I will give you the list from which you will see that the common grades of lumber run from fifty cents to \$1.50 higher in Minneapolis than they do in our mills?

Q. How much?—A. From 50 cents to \$1.50 higher.

By Mr. Schaffner:

Q. Can they manufacture cheaper than you can?—A. The conditions for manufacturing lumber in the United States are easier than they are in this country.

Q. I gather that from the fact that you say it does not pay you to manufacture lumber, but to sell your limits to them?—A. No, they will have to manufacture in Ontario, because although there is no export duty there is a manufacturing clause in the licenses which calls for the manufacture of logs into lumber in Canada.

By Mr. Fowler:

Q. These people you sold to will manufacture in Canada?—A. They are going to manufacture in Canada. I merely mentioned that to show that the people in this country have been buying lumber cheaper than they, and cheaper in any other part of Canada than British Columbia.

By the Chairman:

Q. Have you, while you are on that, any means of telling us how the people who handle the lumber upon which you made so little—what prices they obtained and have you any of their price lists?—A. No, I have not.

Q. Not of your own price list?—A. No, I have not. I am sorry I have not some of the lists, but having heard the evidence here I thought I would prepare some figures to give you that would give you as much information in regard to that in a general way, as giving you more and better evidence than simply quoting you a few instances. I am willing to give you anything I have, and I have been endeavouring to get some method by which I can give you absolutely every particle of evidence that is in my power to give you. All that I wanted to do was to place before you the two positions, and if you can then understand it—I do not mean to say that you would not understand it if you could get the proper evidence—you would cut this investigation very short.

Q. This price list came into effect on December 15, I have one that is in detail similar. Now, I just notice from the first item, you say \$18.50, and mine is \$19.50, so that there is a more subsequent one. You will see there is \$18.50 for the very first item, for dimension there. It is one I was figuring on the other day?—A. That is only just that one item alone.

Q. That is one that I was furnished with since this committee began to sit. It also contains the information that since that list was issued it has increased \$1. But what I was particularly interested in is that the man who got that lumber at \$18.50 or \$19.50, what did he sell it for? Have you any information on that point?—A. What he sold it for?

Q. Yes, the retailer?—A. I may be pardoned, but I would be pleased to give you my own experience as a retailer.

Q. You are a retailer at Winnipeg?—A. At Winnipeg, Brandon and Portage la

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Prairie. We were engaged in the retail business at Winnipeg before establishing the mill, in Winnipeg we turned over in a little over two years over half a million dollars worth of lumber. We would have been a great deal better off if we had our money invested at 6 per cent. The same would apply to Portage la Prairie.

By Mr. Fowler:

Q. Are you counting there the difference between the wholesale price and the retail price?—A. Yes, the lumber is charged at the same price to the yard that we would charge to anybody else, although shipped from our own plant. That was our experience in Portage la Prairie for something over a year or two years at Portage la Prairie, in fact we showed a loss always in Portage la Prairie. In Brandon, where we had made a little money one year and sold out, but when we came to close accounts we had to write back about \$3,000. So that in all this business, making a turnover of \$500,000 we would be better off to invest our money at 6 per cent, and this was during the existence of this association, which some people say the men connected with it have the power to fix the price.

Q. That is the Western Retail Lumbermen's Association?—A. Yes, we were members and working under their rules and regulations.

By the Chairman:

Q. There is a question that has been spoken of in regard to the question of a combine in the sash and door business? The question is what people understand by a combine. Of course I know you are aware that if a man in a country place wanted to build himself a house of course he would want what would not be in the local yards anyway. If he went to the yard of some of the firms, I do not know whether your firm is that way or not, but if he went to one of the firms and wanted window sashes and doors for his house he would be told that they would not take his order, but that they would ship them to the local dealer, through whom he could get them?—A. If a man came to our sash and door factory in Winnipeg and asked us to give him figures on one single sash or one single door, he might be a hod carrier or he might be the Premier of Manitoba and he would get it. I do not wish to be understood to say that we sell to the consumer from points where we are doing a wholesale business, but where we are doing a retail business we will sell to him.

Q. I am talking of where there is a lumber yard, for instance who are members of the Western Lumber Dealers' Association, and if you go into a place that I happen to know in Winnipeg where they manufacture sash and doors and say: 'I want these things for a house I am building,' they would very kindly say that you could go to the man who had a yard, that they could not furnish it, but you could go to the man that had a yard and get it from him?—A. So far as I understand the custom of this class of business in Winnipeg or any town in Manitoba or the Northwest Territories and the consumer can go to the sash and door establishment anywhere, as far as I understand the business. I do not know much about the others, but I have never heard anything to the contrary of what I am going to state, but so far as we are concerned, and to all others, a man, whether he be a hod carrier or a wholesaler, he can buy material for himself.

Q. Can he buy direct from you?—A. Direct from us, we will not ask him what his nationality is or his creed. We are there absolutely for the purpose, and we will make him a single door or a single sash to order if he wants it.

Q. And ship it to Regina?—A. To Vancouver, or to the uttermost parts of the earth.

Mr. FOWLER.—I do not see your point, Mr. Chairman.

The CHAIRMAN.—I am speaking of the gentleman who said there was a combine between the sash and door men and the Lumber Dealers' Association.

Mr. LANCASTER.—This witness denies that.

The CHAIRMAN.—Of course, but I do not know anything about his manner of doing business.

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A. We are giving prices all the time, soliciting orders from all over the country for special work; we do not solicit orders for common work, but any man that comes there can buy any kind of stock work, sash or door.

By Mr. Fowler:

Q. I thought I understood you to say you would not sell to the consumer in places where you were doing a wholesale business?—A. Now, just to show you how we do conduct our business: if a man went into the wholesale warehouse where we are distributing sashes and doors, and where we sell by wholesale only, at wholesale prices only, there, we would tell him that we are not retailing sashes or doors; but in Winnipeg, or rather at Norwood, St. Boniface, where we have the factory and are catering to that class of business, and where we are figuring, whenever we get an opportunity, on all kinds of sashes and doors, we would supply him.

Q. In your factory a man may buy a sash or door?—A. He would not be asked where he comes from; if he has the money, he can buy, and he can buy even if he has the credit.

By Mr. Lancaster:

Q. In regard to this mill you spoke of, how much money is actually invested, of that \$2,000,000, no matter how much the stock is?—A. I believe there is a great deal more invested than these figures represent. In order to make myself clear, although we have not made money lately, during some of the years we have been doing business we have made money, fair profit on the lumber, except when the market was disorganized by competition from the south.

Q. That would be profit on the amount of stuff made, or the amount you turned over. I was asking you about the amount of money actually invested?—A. I am coming to that point. During those years, instead of paying dividends, every dollar we could earn we invested it in standing timber, and I would like to make this statement to you, for your information, that one dollar invested in that way has, I think, perhaps—I think that one dollar earns more money for my company invested in standing timber, left to its fate, to the fires, or whatever might overtake it, than what was earned in any town where it has been turned over in supplying lumber to the consumer—that we have been working in that way without much return. I think I made the statement that one dollar was equal to twenty, that would not be far out.

Q. That is, that the shareholder would get twenty times as much dividend that way than he would if he had taken out that dividend?—A. The amount of money invested in timber has not been large until recent years.

Q. How much money would you say is actually invested there—of that \$2,000,000 you speak of?—A. After having made a sale about the close of our year, we raised our capital about one million dollars, raising it from \$1,900,000 to nearly \$3,000,000. The earnings of this money that I spoke of, invested in timber, which, if we cut at the present price, which, if we had cut and sold at the present price of lumber, or rather at the prices we have realized during the past year, would cause us a loss of \$500,000 or \$600,000.

By Mr. Fowler:

Q. By investing it you have made money?—A. We have made a lot of money.

By Mr. Lancaster:

Q. You have increased it by \$1,000,000 by not cutting your standing timber?—

A. By not cutting.

By Mr. Fowler:

Q. I think what Mr. Lancaster wants to get at is, how much actual cash did your stockholders put in?—A. When the company was organized, the paid-up capital was \$269,000; that is nearly fifteen years ago.

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Q. Was how much?—A. \$269,000.

Q. They have paid in no other money, except that?—A. They have paid in no money, except that.

Q. Then, that \$269,000 has become nominally worth \$3,000,000 to the people who put in the \$269,000?—A. That is practically what it amounts to.

Q. That is practically the result of not paying dividends?—A. That has been the result, do not misunderstand me, largely of buying timber in the State of Minnesota and from the government of Ontario.

Q. With the money earned, instead of paying dividends?—A. And on the strength of money borrowed on the personal guarantee of the directors of the company and the security of the timber.

Q. Then, you mean it is the result of profitable speculations, not of capital put it?—A. Yes, that is what I really wish to convey.

By Mr. Sloan:

Q. The moral is, to put your money into standing timber?—A. Yes.

By Mr. Lancaster:

Q. Instead of paying your dividends in cash, put it into standing timber?—A. I would like to say that the greater portion, I think I might say that all the money, that every dollar of these earnings has been practically made out of the increased value of timber, and scarcely a dollar has been made out of manufacturing in all those years, and out of that business. So that, if I had the power to fix prices, surely I would not conduct that kind of business.

By Mr. Fowler:

Q. So that people were, by their manipulation of timber, making the standing timber more valuable, and are doing so with the hope of future profits?—A. Yes, the people who know the business; the people who have been engaged in the business for many long years realize that the timber in the United States has been disappearing at a tremendous rate within the last few years, and they are trying to secure timber at any price wherever they can get it. For that reason they will come over into our territory and pay prices for timber at which we cannot hope, if we wanted to, to sell it to the consumer of lumber throughout the prairies of the Northwest.

Q. So that it will mean that the consumer instead of getting cheaper lumber must look forward to having the cost very much increased?—A. It is absolutely impossible, it would be absolutely impossible, for a man to buy lumber to-day in the district in which we have been operating principally and sell it at the prices we have been realizing. It would be absolutely; the capital of \$3,000,000 would simply disappear like mist before a hot sun.

By Mr. Lancaster:

Q. In other words, you would say it would be impossible for those investing in timber limits to-day to make their money unless the price of lumber goes up?—A. That is exactly what I wish to impress on you as much as my experience will enable me to do so.

By Mr. Fowler:

Q. That would follow necessarily, that if at the low prices of timber you cannot make any money when the price is enhanced for the raw material itself, I mean the standing timber, it will be necessary to get much higher prices in order to make money on the finished article?—A. A small quantity of lumber has been sold by the Ontario government, not particularly well situated, lately for \$8.50 standing, and a little further east the last sale of lumber made by the Ontario government, through public competition, realized \$12.50 on the stump, almost what we have been putting lumber on the cars for.

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Q. That is ordinary white pine?—A. Ordinary red and white pine.

Q. That has not surprised you?—A. I am not talking about surprise.

Q. You have been selling pine at an average price of \$17?—A. We have been selling the best lumber that grows in western Ontario and Minnesota at those prices.

Q. What percentage of clear would that be?—A. The percentage of clear in Norway white pine is fairly large—when I say clear, the word select is better, in white pine—

Q. That is for finishing purposes?—A. Yes; you will probably get 10 per cent, and we cut up 25 per cent of our white pine into what we call ship lumber for cutting up and finishing purposes; that is all included in those figures.

Q. What price do you get for that grade which you put in doors and sashes? It must be moderately clear?—A. We do not get much absolutely clear lumber out of our stock.

Q. It must be clear of loose knots at any rate or it would not do for sashes and doors?—A. Our factory pays on the average \$28 to \$30 for lumber to cut up in it, and it cuts up for 400,000 to 500,000 per month.

By Mr. Herron:

Q. It pays that to the mill yard?—A. Yes, to the mill.

By Mr. Sloan:

Q. You are giving us a comparison of prices for common lumber between Minneapolis and Portage la Prairie. Can you give us a comparison of the finished product?—A. Well, the price of the high grade lumber at Minneapolis and Winnipeg is probably about the same. I do not think there is very much difference.

Q. What difference is there between Rat Portage and Winnipeg?—A. There is not much difference.

Q. What about the rate at Portage?—A. Well, with \$2 freight difference, you know it is pretty hard to distinguish as between values.

By Mr. Herron:

Q. Are your interests in Minnesota very large in timber?—A. Well, we have been delivering about one-half of our timber; about one-half of our cut has come from Minnesota for the past fifteen years.

By the Chairman:

Q. It comes down the Rainy river?—A. Down the Rainy river and the Little river to the American side of the Rainy lake district.

By Mr. Fowler:

Q. You have been cutting your lumber up there?—A. We have been cutting our logs there and floating them down the Rainy river to the mill.

By Mr. Schaffner:

Q. You have been at this work for fifteen years?—A. I have been twenty-four years in the business.

Q. Is lumber higher than it was fifteen years ago?—A. About \$4 more.

Q. Could you make more money fifteen years ago?—A. Make more money than we can now? Oh, no. From 1893 to the end of our year in 1895 my company lost in the manufacturing of lumber and selling it to the Northwest, or rather they wrote off \$125,000 of their capital during those years, that is in two and a half years.

Q. Well, if it is \$4 better now how do you account for the fact that it does not pay now?—A. The loss then was made in this way largely, previous to 1894 there was a duty on lumber, and there was a great depression in the United States as most of us know in 1893, 1894 and 1895. They also had a great fire in the pine forests in Minnesota and down along the Northern Pacific about Hinckley, and between the depression

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in their own lumber market, and the fact that they were trying to save the pine that had been burnt, so that not having free access to our market with the rough and cheaper grades of lumber they could, during those depressed years to save this timber that was of no use anyway and had no value unless they could get something out of it, they flooded our market, and instead of being able to sell our lumber at cost we allowed it to stand in the yard to such an extent that the interest and fixed charges on it chewed up practically one-half our capital at that time. We got relief after the depression was over, and it took two years to recover it.

Q. Did you make money then?—A. We commenced to make money when the conditions were natural; we can always make money in Canada on lumber when things are not depressed in the United States.

Q. Conditions are good on the other side now?—A. Yes, and we are just now recovering, as far as our business was concerned, during the past year from the depression which resulted from the election of their president in 1904.

Q. If I understand you correctly, I would like to make that clear. There has never been any time during the past two years that the lumber manufacturers have made very much money?—A. From 1896 to 1903 we could make a fair profit on our lumber. I do not think we ever made over \$3 per thousand, but we have made from \$2 to \$3 per thousand during these, to us, prosperous years.

By Mr. Sloan :

Q. Has the cost of manufacture increased very materially with you during the last few years?—A. It has increased very considerably, but the greatest increase of all with us is this year. For the last two years we have been cutting logs largely which were cut during the depression in the United States, and to some extent these small profits are the result of our market having been flooded in 1904. Now, our distances are so great, that is the distances we have to take our logs, that we have to carry over from year to year large quantities of logs. For example, a year ago last fall we had between \$500,000 and \$600,000 invested in logs as a result largely of our markets having been flooded with American lumber in 1904.

By Mr. Fowler :

Q. Then the lumber that you cut on the American side and float down to your mills on the Canadian side, can you sell that lumber as American lumber?—A. No, we have to pay duty on it.

Q. Down in our country on the upper St. John the logs come down and are cut in St. John and shipped free of duty?—A. Well, we are not allowed that.

Q. It may be, I am not certain, but it may be that is only allowed in the case where mills are owned by Americans, yours is a Canadian company?—A. Yes.

By Mr. Sloan :

Q. Can you tell us what the mill charges are from the time the log goes into the mill?—A. Well, of course that varies somewhat.

Q. There are a great many different figures put in here, I would like to get your experience?—A. We can mill our lumber cheaper than it can be milled at the coast. It costs more to handle the large timber on the coast than it does to handle our small timber. I think we can take it out of the water and put it on the cars at anywhere from \$1 to \$1.50 cheaper than you do out there.

By Mr. Fowler :

Q. What would you say is the average cost from the time it is in the pond until it is placed on the car?—A. Roughly speaking we can cut our lumber for \$2 in the mill, take it out in the yard and pile it, we can put it through the planer, resaw it and rip it, and do all things that are necessary to be done to prepare the lumber for the city markets we supply, at from \$1 to \$1.50 per thousand.

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By Mr. Lancaster :

Q. What did you say the \$2 was for, just now?—A. That is for sawing and piling.

Q. That is from the time the log is in the pond until it is on the car?—A. No, from the time the log is taken out of the water until it is piled up on the sticks in the yard to dry.

Q. That is \$1.50?—A. No, that is \$2.

By Mr. Sloan :

Q. The other charges will be another \$1.50?—A. That \$2 should buy files, oil, and keep up the repairs during the running season, without taking the maintenance charges into account.

Q. And it is \$1.50 for the other?—A. Well, I am just speaking now of the labour for the other, and probably the same charges for the oil.

Q. Have you a planing mill separately?—A. Yes, it is a separate plant.

Q. What did you say, that the Americans can do it \$1.50 cheaper than you?—A. No, no, I did not say that.

Q. I thought you said there was some difference?—A. I think that the Americans, that the conditions for purchasing in the United States, were, generally speaking, a little better than they are in Canada, that is what I said.

Q. I thought just within a minute you said to this gentleman that you gave some figures to show that such was the case?—A. No, I said they could do it cheaper than at the Coast.

Q. That is the American in Minnesota or the west?—A. Yes, take Minnesota.

By Mr. Fowler :

Q. What do your logs cost you at the mill?—A. Owing to the great distance, and the great time, and the amount of mixing that takes place in the process of taking the logs from where they are cut to the mills, it would be simply impossible to get anything like an exact cost, except in a lump sum year by year, and even then it would not be accurate, because some logs hang behind for two or three years, and some of them never come to the front, they go to the bottom of the river.

Q. Would it cost you \$8?—A. For instance, at the present time we are negotiating for the purchase of 4,000,000 or 5,000,000 feet of logs from a man in Minnesota. These logs are about one-half jack pine, some spruce and tamarack and the balance is pine, and we offered \$12 delivered at our Rainy River boom, but I do not expect he will take it.

Q. It would not cost you \$12 for your own logs, would it?—A. If we value our timber at the price we could sell it at.

Q. But leave that out?—A. Oh, just the logging you mean?

Q. Yes, just the logging?—A. The last contract we gave to a man to log we agreed to pay him \$8 for the logging and driving to the lake.

Q. And delivering them?—A. Delivering them in the Rainy lake.

By Mr. Lancaster :

Q. That is timber that you owned yourself?—A. The stumpage would have to be added to that.

By Mr. Fowler :

Q. When lumbering on the American side what do you pay to the state there?—A. When you buy timber there you buy it outright, their system is different to ours.

Q. There are no dues there?—A. Good stumpage in Minnesota is now worth \$8 to \$10, and probably \$12 in some cases for pine.

By Mr. Herron :

Q. In making the comparison between the cost of timber last year and 1906, I think you said \$8 per thousand, what would the same timber be worth in the same place

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in 1905?—A. Last year we got some logs delivered from Minnesota at \$11.25 in the Rainy River boom.

Q. And in 1905, what was it then?—A. Well, we did not buy any logs in 1905. These figures would have to apply to 1904. In 1905 we did not produce many logs, and what logs we did produce were principally from our own limits, just to keep our own organization at work.

Q. Can you produce timber in 1905 much cheaper than you could in 1906?—A. Oh, well, conditions are different.

Q. Is there much difference in each year?—A. The conditions differ, because of the winter more than from any other reason.

By Mr. Fowler:

Q. It may make \$1 per thousand difference in the cost of logs on account of the season, the winter?—A. Probably \$2 in some cases.

By Mr. Lancaster:

Q. Do you know, as a practical man, of any way in which the cost to the consumer in the west can be reduced on the lumber?—A. The cost to the consumer?

Q. Do you know of any way by which the Canadian farmer say in the western part of Canada, can get his lumber cheaper, any recommendation we could make to the House that would enable him to get it cheaper?—A. If I were speaking particularly for the territory in which we do the greater part of our business I would utterly fail if I attempted to offer any suggestion so far as the conditions have prevailed up to the present time. Now, I would like to hand you some figures that I have prepared—

By Mr. Fowler:

Q. Before you quote those figures, would you mind saying what in your opinion is a fair profit for the retailer, the gross profit?—A. I think the gross profit of 20 per cent would be quite sufficient. I think any man that will ask more than that is trying to Shylock his fellowmen.

Q. What would you say is a fair profit for the manufacturer per thousand?—A. Well, as one gentleman put it to-day, taking the good years for the manufacturer, I know if we could get an average of from \$2 to \$2.50 a thousand for the use of our capital and plant in the manufacture of trees into lumber, we would be very well satisfied in doing it.

By Mr. Schaffner:

Q. That is taking the lean with the fat years?—A. Yes.

Q. You would want that on the average?—A. Yes. I was trying to prepare what I thought were figures that would cover my experience in fifteen years, and the conclusion I came to, without having all the documents I required to get out the figures exactly, was that I think probably between \$1.30 and \$1.40 would be our profit, taking the fifteen years through.

Q. That would be under \$1.50?—A. Certainly, it would be under that.

Q. That accounts for the whole thing?—A. Yes, I do not think it would be over \$1.30.

By Mr. Fowler:

Q. That, on your output, would not give you more than 6 per cent?—A. It would give us about 6 or 7 per cent, that you can see, perhaps 5 or 6 per cent on our turnover. I think a man ought to have 10 or 12 per cent in a hazardous business, such as ours.

Q. What do you estimate the fire risk is worth, over and above the insurance you could get on your limits, the portion of the limit risk you have to take yourself, that is, the limit risk which you cannot insure?—A. I think it is easily worth from 1 to 2 per cent on the volume of business. The rest you can carry in the companies.

By Mr. Sloan:

Q. Do you have any system of running an insurance account?—A. No, we cannot get any blanket insurance on the limit class.

Q. You do not carry it on account of your own safeguard?—A. No, we have not.

By Mr. Fowler:

Q. You do not charge that up at all, as I understand it, to insurance?—A. Nothing but what we pay.

Q. You charge up, figuring, of course, the risk?—A. No, only the actual cost. During the hard years, between 1894 and 1896, we practically carried no insurance, but took the whole of the risk ourselves, that is, on the plant, not the lumber.

Q. At one time you were carrying the risk on a portion of the plant which you could not insure?—A. Just to give you one instance, our British Columbia plant, which is being operated at Vancouver, we did not insure for more than 20 or 30 per cent of its cost, the insurance rates were high, and we took the risk, and even then, if we had a fire there, we would lose more than the year's profits.

Q. Over and above what insurance you did carry?—A. Over and above what we did carry.

By Mr. Sloan:

Q. The point I wanted to make is, that you carry these valuable timber limits, and as far as I can find out, you make no provision whatever in the case of fire wiping out these timber limits?—A. No provision whatever.

Q. You were going to give the committee some figures there when Mr. Fowler interrupted you?—A. Yes, I was going to give you, I will give you figures here for six years, the figures for the last six years, I think they cover the matter. During the year 1901, our total sales amounted to \$1,040,664.54. On the 30th of November, which is two months, practically, after the selling of the wheat commences for the Territories, and during which months we have the best collections that we have during any part of the year. At the end of that two months, in the year 1901, we had on our books \$610,205.78 in outstanding accounts, which is a large amount of money which has practically to be carried over for several months, if not for the greater portion of the following year.

Q. Do you charge interest on those overdue accounts?—A. Oh, yes, practically 60 per cent of the total sales, as you will see, we have to wait for our money.

Q. You charge interest on that at 60 per cent?—A. We do charge interest on overdue accounts.

Q. But not 60 per cent?—A. Oh, no.

Q. In 1902, the business increased, and our sales amounted to \$1,679,912.59, and the amount carried over in November of that year was \$729,978.97. In 1903 the volume of business amounted to \$1,917,648.10, and the accounts outstanding at the end of November amounted to \$772,119.52. In 1904, the total volume of business, amounted to \$1,849,461.82, and the amount on the books at the end of November was \$800,299.15. In 1905 the volume of business was \$2,005,066.02, and the outstanding accounts were \$720,895.71. In 1906 the business amounted to \$2,431,059.49, and the accounts outstanding on the 30th November were \$1,037,983.31.

By Mr. Lancaster:

Q. There is a larger proportion of unpaid accounts there?—A. Now, this business and the lumber and accounts representing these large sums of money are distributed principally within the province of Manitoba. My contention is, Mr. Chairman, that if the men buying this lumber and selling it were making the enormous profits, or anything approaching the figures I have heard mentioned here, they would not pay us 8 per cent on those accounts and keep us waiting from year to year for our money.

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By Mr. Fowler:

Q. They are getting 8 per cent on it themselves, are they not?—A. I suppose they do get that.

Q. I think one would offset the other?—A. But I do not think if they could borrow the money they would let the account stand. At present there are banks all over this country, and if they have good paper they can get their notes discounted for less than 8 per cent, it does not pay them to pay 8 per cent to us, and that I think is an ocular demonstration that they are not making the money that is represented by some men. So far as I have been able to judge, and I have seen a great many statements in those years, of men who are unable to pay their accounts, and I have gone over a great many, and I have yet to see a statement that will approach the statement that I have heard here, and I question if there is one in Manitoba that has made the profit and the percentages that have been sworn to here.

Q. That is the 40 per cent and the 80 per cent?—A. I think it is my duty to draw your attention to these extravagant statements.

By the Chairman:

Q. Last year the crop was not marketed until late, and that might account for the large amount of outstanding accounts?—A. I wish to refer to that particularly, because one of the witnesses said that they were all making these profits. Gentlemen, I hold that I am absolutely in ignorance of the true condition of affairs in this country if that prevails to any considerable extent. It is practically impossible.

By Mr. Sloan:

Q. There was a question came up here the other day about the weights of lumber, can you give us any information about that?—A. I saw a list which the chairman handed me, and which I believe is about correct and will be about the figures. We figure in British Columbia on 3,300 pounds for a thousand feet of green fir timber, or plank or rough boards

Q. That is green?—A. That is green. We had figured on 3,200 for a time, and we used to give prices on that basis, and we found we were paying more freight than we were getting in return, so we raised it to 3,300. Our lumber now produced on the waters of the Lake of the Woods and its tributaries when green weighs about 3,600 pounds, but it dries out more than the western lumber, there being less pitch and more water in it.

By the Chairman:

Q. You do not ship much of that kind of lumber?—A. No, we dry it; we can not afford to ship it. There is just one more paper I wish to put in, and to which I wish to draw the attention of the committee.

(Exhibit No. 78 produced and filed.)

THE RAT PORTAGE LUMBER COMPANY, LIMITED.

Partial list of dealers who were not members of the Western Retail Lumbermen's Association, to whom we have sold lumber during the past six or seven years:—

T. D. Robinson, Winnipeg; J. Arbuthnot, Winnipeg; Gillespie Bros., Brandon; R. A. Knight, Hargrave; W. Martin, Wapella; Robertson & Bishop, Forget; James McEwan, Arcola; Dechine & Johnston, Starbuck; J. P. Bernier, St. Claude; John Boradbent, Thornhill; D. D. Campbell, Manitou; W. H. Atkinson, Deloraine; — Scott, Alameda; F. Chapin, Hartney; Hartney Mfg. Co., Hartney; Landry & Co., Mariapolis; Willis Bros., Theodore.

This is a statement giving a list of names which I wish to place in your hands. It is a partial list of dealers who are not members of the Western Retail Dealers' Association to which we have sold lumber during the last six or seven years. I desire to put that list in. It does not include nearly all those to whom we have shipped

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lumber. I want to say that during all my experience in selecting customers to ship lumber to I cannot recollect one reputable man who had the capital and the credit and who was anxious to engage in the lumber business who could not get lumber and come into the business and do business.

By Mr. Lancaster:

Q. That is a list of men in the business?—A. Simply a list of retail dealers who are not members of the association to whom we have been selling. It is a partial list made up from memory, and there may be others.

Q. How do you know that they are not members of the association?—A. I know, because we can get the list at any time of who are members of the association, and we have the printed list sent to us.

The following was produced by witness and marked

EXHIBIT No. 79.

THE RAT PORTAGE LUMBER COMPANY.

Statement of sales and outstanding accounts for the years 1895-1906 inclusive, as at November 30, in each year:—

Year.	Sales.	Outstanding accounts.
1895..	\$ 324,546 81	\$ 79,339 54
1896..	483,607 73	258,245 01
1897..	589,669 31	330,316 73
1898..	565,424 16	383,294 78
1899..	731,937 50	489,089 64
1900..	888,846 83	521,068 70
1901..	1,040,664 54	610,205 78
1902..	1,679,912 59	729,978 97
1903..	1,917,648 10	772,119 52
1904..	1,849,461 82	800,299 15
1905..	2,005,066 02	720,895 71
1906..	2,431,059 49	1,037,983 31

I hereby certify and declare that the foregoing is a true and correct statement of the sales and outstanding accounts of the above named company, in the years above specified as shown in books and records of said company.

WM. ROBERTSON,
Secretary.

Q. You know from lists of people you get who the members are?—A. I had heard so much about men having difficulty in getting lumber because of the fact that they were not members of the association, that I asked our secretary to give a list of the people we were selling to.

By the Chairman:

Q. How many have you got?—A. Our secretary says that it is for six or seven towns. He gives it as a partial list. I see one man who testified here to-day is not on it, although we have been shipping him millions of feet of lumber—Capt. Robinson.

By Mr. Lancaster:

Q. Are there any that may be added to that?—A. There may be added to that the Independent Lumber Company, of Regina. They are advertising and trying to make capital out of the fact that they are not members, as I understand it, and we sell them sashes and doors and anything else.

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Q. Have these people been buying during the last two or three years?—A. You said six or seven.

Q. During all these years?

By the Chairman:

Q. How many have you got, so that we may see what proportion the list bears to the whole?—A. There are only 17 names here, but the Independent Lumber Co. have, I think, 27 yards. We sell to them, and then there are others. This is just a little list, prepared, I think, from memory. Just jotting down the names. I think there is another gentleman right here, two of them, that are not on this list, that are customers of ours.

By Mr. Fowler:

Q. Do you sell to contractors?—A. Only where we are retailers. We don't sell to a contractor except where we are retailing.

Q. Supposing a man is building a house?—A. He could go to Winnipeg. He could go to our retail yard there and we would ship it to any place he would want it shipped to.

The CHAIRMAN.—There are about 500 members on the membership lists of the Western Retail Lumbermen's Association—manufacturers and dealers—that we know of here, and this gentleman is able to find only 16 or 17?—A. We don't ship much lumber into Saskatchewan.

Q. But you are submitting a list?—A. That list I have given you applies only to Manitoba.

Q. The biggest part of that applies to Manitoba, I think?—A. All the same, it is the man who has got the money or got the credit, whether he is a member of the association or otherwise, he can get the lumber.

The witness retired.

Committee adjourned.

TUESDAY, March 26, 1907.

The committee met at 10.30 a.m.

Mr. W. D. BASHFORD, Rosthern, Man., sworn.

By Mr. Lancaster:

Q. Where do you live?—A. Rosthern, Saskatchewan.

Q. How big a place is that?—A. About a thousand inhabitants.

Q. What is your business?—A. Retail lumber business.

Q. How long have you been in the business?—A. One year.

Q. Were you engaged in the business before that?—A. Yes, managing a lumber business for a corporation.

Q. For wholesale or retail?—A. Retail.

Q. For a joint stock company?—A. Yes.

Q. What is the name?—A. The Canada Territories Corporation.

Q. How long was that concern in the retail lumber business?—A. From 1902 till last year, four years. I bought the business over in March from the company.

Q. It ran from 1902 into 1906 and then you bought out the concern?—A. That is it.

Q. And you managed it all that four years ?—A. Yes.

Q. You were there at the inception of that company ?—A. Yes.

Q. Did you help to form it ?—A. Yes.

Q. Then you can speak pretty well of the retail business for five years back ?—

A. Yes, pretty well.

Q. What do you say about prices of lumber out there during that time. Were they increasing or decreasing ?—A. There has been a gradual increase in our locality and there has also been a decrease during that time.

By the Chairman :

Q. A decrease confined to one year ?—A. Yes, pretty much.

By Mr. Lancaster :

Q. An increase when ?—A. Increases were from 1902 till about 1904.

Q. In 1902, 1903 and 1904, is that it ?—A. Yes, slight increases.

Q. What would you call slight ?—A. Perhaps a dollar a thousand all round.

Q. Were there many of them in a year ?—A. No.

Q. How many in each of those years ?—A. Possibly one increase covered it in each year at the start of the season or perhaps during the summer.

Q. Now, were these increases in the wholesale or retail ?—A. In the wholesale list which was followed by the retail list.

Q. The wholesale began and you followed it, is that what you mean ?—A. That is the idea.

Q. In each case the retailers put on higher prices on account of the wholesalers ?—A. The retailers in our town are both owners in Prince Albert. They were the people who made the price and being an independent firm I sold along the same lines as they did.

By Mr. McIntyre (Perth):

Q. Did you sell only native in British Columbia camps ? Were the prices about the same ?—A. Pretty much the same.

Q. When there was a raise in British Columbia was there a raise in the other places ?—A. I think there were.

By Mr. Lancaster :

Q. Do you belong to the Retailers' Association ?—A. I do not and I never did.

Q. You say you have only been in business one year ?—A. Yes, for myself.

Q. How much lumber did you handle in that time ?—A. My total purchases would be \$34,000.

Q. How many feet of lumber would you handle in a year ?—A. About three-quarters of a million.

Q. Are you engaged in any other business ?—A. Yes, I act as agent for some of the loan companies and do fire insurance. I sell some lands, and that sort of thing.

Q. You keep the businesses separate ?—A. I do.

Q. How much lumber did you say you handled in a year ?—A. Probably three-quarters of a million.

Q. What is your gain ?—A. You mean my percentage of profits, nineteen per cent.

Q. On \$34,000 ?—A. No, I carried over \$5,000.

Q. You gained nineteen per cent. Is that your net or gross gain ?—A. Net gain.

Q. After deducting all expenses ?—A. Exactly.

Q. In what year ?—A. In 1906.

Q. What would your gross gain be ?—A. \$3,769.32.

Q. And your total purchases ?—A. \$35,040. That includes freight, that is delivered on the cars. That is without taking into consideration anything for the money invested in the business, depreciation of stock and buildings and also of my implements, such as waggons, harness and so forth in connection with the business.

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By Mr. McIntyre (Perth):

Q. But you would not have a great deal invested in the business?—A. I had \$14,000 in cash put into the business when I bought it.

Q. I mean to say you are not in the same position as a manufacturer, a lumberman having a great deal of machinery and so on?—A. No, but the thing gradually gets worth less every year and a man is entitled to make allowances for that.

Q. Then the total cost of the plant apart; take your rigs or horses and so on, what would that amount to?—A. Not very much.

Q. A thousand dollars?—A. Yes, about a thousand dollars.

By Mr. Sloan:

Q. You are not a member of the Retail Dealers' Association?—A. I am not.

Q. Have you had any difficulty in getting lumber because you are not a member?—A. No, I bought from seventeen mills in British Columbia last year.

Q. Seventeen different mills?—A. Yes.

Q. Did you figure out the rate per thousand feet of British Columbia lumber?—A. I did not, but I have a general idea of what it is.

Q. Give us a general idea of the rate per thousand?—A. Fir when it is dried runs about two and a half to the square foot.

Q. Is British Columbia lumber all dried that you get?—A. Most of it.

By Mr. Lancaster:

Q. I didn't finish. Do you recollect anything about a decrease. You have told us about an increase, and I wanted to know if you remembered anything about a decrease.—A. Yes, in 1905.

Q. There was a decrease in 1905?—A. Yes.

Q. What was the cause of that?—A. The cause of that was the fact that the American market, the Washington market, was flooded with lumber and they sent it over here.

Q. What was the amount of that decrease?—A. Well, in our case there was a difference of between \$3 to \$4.

Q. Was there an increase in 1906?—A. Yes, I think there was.

Q. To what extent?—A. Well, it went back to \$4, and it increased \$1.

Q. The first increase was \$1 a thousand?—A. Yes, in the spring of 1906.

Q. Was there another one?—A. There was another one, I think, about May.

Q. To what extent?—A. \$1 a thousand.

Q. Any other?—A. It was raised in 1906 three times.

Q. When was the last raise?—A. In the fall or summer.

Q. And the price went up \$4 a thousand over the price of 1905, and then there was a raise of \$1?—A. Yes. There was \$5 raise.

Q. Do you know any cause for that increase?—A. Yes, there was a big lumber mill in Prince Albert which was burnt out. And the firm which had just started in business had to get money and they sold out a lot of lumber.

Q. They flooded the market?—A. Yes, and two other mills had to follow them.

Q. Was there any other reason for the increase in price in 1906?—A. Well, I didn't make the price; I raised mine when they raised theirs.

Q. You raised only because the other mills raised?—A. Yes, and I raised to the same extent.

Q. Any other reason?—A. No, not that I know.

Q. Was there any other raise in 1906?—A. I don't think that there was. But of course, because it had not been we should receive a good deal more.

Q. Of course, that is not a reason for your raising your prices?—A. That is the only reason.

Q. Then lumber could be obtained cheaper by the consumer in your part of the country than it has been?—A. No, it never will be cheaper.

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Q. You don't think it possible that it could get cheaper by any arrangement you could suggest?—A. No, because the demand is getting larger and in our part of the country there is great difficulty in getting anything. The C. P. R. won't accept shipment.

By the Chairman :

Q. Have you anything to show what the freight rate of British Columbia lumber is?—A. 40 cents.

Q. Can you give us the price of any other lumber?—A. I can give you what it is about, what we buy for from Bellingham Bay, that is Washington, invoiced at \$4 and delivered at Rosthern at \$16 a thousand.

Q. The freight is \$12?—A. Yes.

By Mr. Lancaster :

Q. Where did that come from?—A. Washington.

Q. Where was it delivered at?—A. Rosthern. The \$16 included freight and duty. The freight was \$10.80 and the duty \$1.20. It was a little higher I think on high grade lumber.

By the Chairman :

Q. Can you give us the rate from Prince Albert?—A. Well, from Prince Albert the rate is eight cents and the distance is forty-five miles.

By Mr. Herron :

Q. Eight cents a thousand?—A. Eight cents a hundred and a car of lumber would run about \$34.

By Mr. Lancaster :

Q. How many miles will they carry the lumber for the freight of \$12?—A. I think it is a matter of over 2,000 miles; that is what I should imagine it to be.

Q. Can you tell us how much of the freight is American and how much is Canadian?—A. The American roads get about \$2.

Q. How much is that to the car?—A. I don't know.

By the Chairman :

Q. How much is there in the car?—A. About 23,000 lbs.

Q. Not quite 2,300?—A. In 5th stuff there would be more than that, you see.

By Mr. Lancaster :

Q. Ten dollars and eighty cents is the freight?—A. Yes.

Q. And how much duty?—A. \$1.20.

Q. Would not the American road take more than \$1.80 of that?—A. No, it is a very short distance.

Q. The C. P. R. would haul it how many miles?—A. Well, they would haul it I should say about 2,000 miles.

By the Chairman :

Q. What is the freight on a car of lumber from Prince Albert to Rosthern?—A. The full car about \$28, taking about 20,000 feet to a small car. The bigger cars taking about 26,000 feet, run \$32 and \$34.

Q. What is the distance?—A. Forty-five miles.

By Mr. Lancaster :

Q. Of course, that man who sold that lumber at \$14 could not produce it for that?—A. I should imagine not.

Q. It was simply lumber he had to get rid of at a loss?—A. Yes.

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Q. Do you know what it would cost to produce that lumber where it was shipped from at Washington?—A. I have no idea.

Q. Can you give us any idea as to whether the Coast mills could produce lumber any cheaper than there?—A. I do not think they could at the present time.

By Mr. Herron:

Q. What reason have you for believing that. Are you familiar with the cost of production?—A. I know that labour enters very largely into the manufacture of lumber and taking our section of the country which is purely agricultural wages are very high there. Men are getting \$2 a day all winter, just the ordinary labourer.

Q. That applies to all classes of labour?—A. Yes, unskilled labour.

By Mr. Schaffner:

Q. \$2 a day for doing what?—A. Chopping wood, just a common labourer.

By Mr. Herron:

Q. Does that include board?—A. No, but I think that in the bush men are getting \$40 a month and board, in some cases more and they used only to get about \$15 or \$20, \$20 was an outside price.

By Mr. Lancaster:

Q. In the bush you say they get how much?—A. \$40 a month and their board for an ordinary bushman, some \$35, but very few get as low as that. I cannot swear to that, that is just from hearsay.

By Mr. Herron:

Q. Well, but the other things that go to make the price of lumber are reasonably cheap?—A. Well, oats are higher than they have ever been with us in my experience.

By Mr. Lancaster:

Q. Does what you say apply to the mountains as well as the coast in regard to labour?—A. I think so.

By Mr. Schaffner:

Q. Did you say oats were higher than they have ever been?—A. Yes.

Q. How long have you been there?—A. Nine years.

Q. Oats are certainly not higher anywhere else?—A. It may be local conditions. Of course railroad rate makes them high up there.

By Mr. Lancaster:

Q. Do you not grow oats there?—A. We grow all kinds there but if we bring them in from Manitoba it costs ten cents a bushel to bring them up.

By Mr. Herron:

Q. How is flour?—A. Just about the same price.

Q. And beef, is that about the same?—A. No, beef is much higher.

By the Chairman:

Q. Is there a very great stock up there?—A. There is a quantity of stock but not beef stock.

By the Chairman:

Q. At what price do you sell common lumber, say spruce?—A. At present we sell common boards at \$25; 4-inch to 6-inch, and we get 5 per cent discount off for cash.

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By Mr. Herron :

Q. Do you know anything about the price list produced here ? Did you hear any of the prices given by the members of the Retail Association ?—A. You mean whole-sale prices ?

Q. No, retailers' prices, the prices that they sold at in different yards?—A. Well, some of those prices that have been reported, such as \$32 for dimension, is much too high. We did not sell as high as that.

Q. Have you a retail price list ?—A. No, but I know the prices.

Q. Are there any retail yards in your town ?—A. There are two, both owned by mills.

By Mr. Lancaster :

Q. They are owned by mills and are association yards ?—A. Yes.

By Mr. Herron :

Q. How are their prices fixed. Are they fixed for them or do they join ?—A. No, they fix their own prices.

Q. Are they fixed by themselves or by the executive of the retailers' associations ?—A. I could not tell you that at all.

By the Chairman :

Q. What do you think of a retail price list like that ?—A. There are some prices here a little high and the others are reasonable.

Q. Do you not think those prices for ordinary stock pretty high ? Do you see \$32 ? There is a dollar advance on that ?—A. \$25 a thousand is what I would have to pay for that.

Q. That is the \$32 stuff ?—A. That is on the car at Rosthern.

Q. Would that not be pretty high—a difference of \$7 ?—A. You do not make \$7. You have to take off the cost of handling, unloading, about twelve per cent off for administering the yard.

By Mr. Herron :

Q. What do you pay for loading ?—A. We pay \$10 to \$12 a car for loading.

By Mr. Lancaster :

Q. You say it costs twelve per cent to administer a lumber yard ?—A. Yes.

Q. 12 per cent on that ?—A. On the whole business.

Q. It would cost 12 cents on the \$25 ?—A. Yes.

Q. What terms would you give for cash ?—A. 5 per cent discount for cash.

By Mr. Herron :

Q. You heard one of the witnesses state the price of lumber ?—A. Yes.

Q. Well, are his figures anywhere near it or not ?—A. \$32, yes.

Q. You didn't hear anyone tell us that they were wrong ?—A. I hold the same kind for \$30, that is \$2 less.

By the Chairman :

Q. That was Spense ?—A. Yes.

Q. That is with reference to the cost ?—A. Practically there is no difference in the price.

By Mr. Herron :

Q. So you think that Mr. Wilkinson gave his prices pretty nearly right ?—A. Well, he only quoted one price, the price of dimension.

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By the Chairman :

Q. \$24 as against \$22 ?—A. Yes, and the discount has to be added to the cost.

By Mr. Herron :

Q. Then the prices are not really high to the consumer ?—A. I don't know, they will be higher in our locality.

Q. What do you know about the price of lumber beyond what you purchased it from the manufacturer for ?—A. I know from actual experience what the cost was. I may say that in one year we made a loss and in 1905 we sold for a little less than it cost us.

By the Chairman :

Q. One thing that I understood you to say that one reason why you expected lumber was going to be higher was the difficulty in getting a supply ?—A. Yes, and that will probably enhance the value of lumber on the ground.

By Mr. Lancaster :

Q. That is the only reason for the mills raising the price on you ?—A. Yes, that is the only reason.

By Mr. Herron :

Q. Did you ever apply to become a member of the retail association ?—A. I did not.

Q. Not at any time ?—A. No.

By Mr. Lancaster :

Q. Were you ever solicited to join ?—A. I was.

By Mr. Herron :

Q. Was your company ever a member ?—A. I don't know.

By Mr. Lancaster :

Q. When were you solicited to join ?—A. Some time last year.

Q. Last year ?—A. Yes, very informally, we were not asked by the officers of the association.

By the Chairman :

Q. By one of the directors ?—A. By one of the members.

By Mr. Lancaster :

Q. By a member who has a yard in your town ?—A. Yes.

By Mr. Herron :

Q. Do you both sell at the same prices ?—A. Yes. Well, pretty much the same. One yard will sell \$1 or \$2 a thousand more than I did or less than I sell for.

By Mr. Lancaster :

Q. You endeavour to sell at about the same price ?—A. Yes, I follow them and sell about the same.

Q. What reason is it that they can sell cheaper ?—A. Well, they make two profits and I make one.

Q. And you were selling a little higher ?—A. Sometimes.

Q. As a rule is that so ?—A. Well, I sold a little higher than one yard nearly all the summer. The man who had charge of the business was not looking after his employer's business.

By Mr. Herron :

Q. Is there any retail yard in your vicinity that tried to buy lumber from British Columbia and were refused because they were not members of the association?—A. No, sir, I don't know.

By Mr. Lancaster :

Q. Have you anything you want to add to what you have stated?—A. No, I don't think that I have. I think myself that we retailers have been charged at exorbitant profit, and that if the mills would just make an effort in those places where they learn, where they had conclusive evidence that people were charging too high a rate, and tell them that unless they sell at a reasonable price they would put in a lumber yard.

Q. Your remedy is to get at them through the mill?—A. Yes.

By Mr. McIntyre (Strathcona) :

Q. How are the mills to know?—A. They have men on the road all the time.

Q. There would be some difficulty in getting information. It would take a long time?—A. Well, there would be some difficulty.

By the Chairman :

Q. There would not be much difficulty in getting the price list?—A. No.

Q. You say that in some cases the retailers have been charging more than they ought. Don't you think that a reason is lack of competition in some places?—A. Well, it does seem so in some cases.

By Mr. Lancaster :

Q. I suppose the establishment of a yard by some retailer who did not belong to the association would bring about the same result as if the millmen established a yard there?—A. Yes it would.

By Mr. McIntyre (Strathcona) :

Q. Would you have any objection to the manufacturers establishing a line of yards?—A. None at all.

By the Chairman :

Q. Don't you think that the line yards were a great deal worse?—A. I certainly do. They buy cheaper and sell for more.

By Mr. McIntyre (Strathcona) :

Q. Would that not have reference to a line of yards manipulated by the manufacturers?—A. I don't think so. The worst thing is when a company like an elevator company run yards at the same time.

By Mr. Lancaster :

Q. In what part of the country to your knowledge are people doing all that?—A. Well, along the line of the Prince Albert branch.

By the Chairman :

Q. Saskatoon?—A. Yes, and Hanley.

Q. Do you know any other reason for the high prices?—A. Yes. Of course, there are conditions which exist in some towns which people think justifies them in having a higher price, such as speculation.

Q. In what years do you think the prices were too high?—A. At the end of last year and this year.

Q. Do you know of an advance within this month?—A. Yes, I get used to hearing of advances.

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Q. I have advice that there was an advance of a dollar on 7th March ?—A. I have not heard of that. I was on the road at that time coming here.

ARTHUR JOHN BELL, Prince Albert, Sask., sworn:—

By Mr. Lancaster :

Q. Where do you live?—A. Prince Albert.

Q. Are you a lumber dealer ?—A. A lumber manufacturer and I have a retail yard.

Q. Where is your mill ?—A. Twenty-eight miles north of Prince Albert.

Q. And where is your yard ?—A. In Prince Albert.

Q. Have you more than one yard ?—A. No sir.

Q. How long have you had that yard there ?—A. Since September 16, 1902.

Q. The yard was established in 1902 ?—A. Yes, not exactly in the place where it is now, but at the other end of the town.

Q. In that town ?—A. Yes, in that town.

Q. How long have you been operating the mill ?—A. About the same time. I bought the mill and the yard and outfit at the same time.

Q. Then you have never run a mill without running a yard ?—A. No.

Q. Do you sell to others than your own yard ?

Q. What proportion of stock do you sell to others and what proportion to your own yard ?—A. We wholesaled two-thirds and retailed one-third over a cut of about five millions.

Q. You wholesaled two-thirds and retailed one-third ?—A. Yes.

Q. What parts of the country did you sell to ?—A. Within a radius of sixty miles of Hanley, Saskatchewan. We shipped a few cars of lumber to Indian Head on the main line.

Q. Within a radius of how many miles ?—A. Practically the whole cut, within a radius of one hundred and twenty miles.

Q. What advances have you made in prices during this season ?—A. We are selling to-day retail at about \$4 a thousand more than we were when we commenced.

Q. That was in 1902 ?—A. Yes.

Q. And wholesale ?—A. Based on last year's price list, about \$3. This year we have not issued a wholesale price list because we do not expect to have anything to wholesale except one special deal.

Q. When were those wholesale prices advanced ?—A. They were advanced from time to time just about \$1.50 in those three years, just as we found it necessary.

Q. What was the causes of those prices advancing ?—A. We simply found it was not paying at the price we were selling at and we found we could sell at that advance.

Q. The causes were that you were not making money ?—A. No, we were not making money.

Q. The first advance was when ?—A. 1903 I think.

Q. Wholesale we are speaking of now, you know ?—A. Yes, I think it advanced a trifle in 1903.

Q. That was about a dollar, was it not ?—A. I think it was all round fifty cents that year.

Q. After you advanced that fifty cents was it paying then ?—A. No, we had pretty hard luck.

Q. Take the ordinary risks of the business; would fifty cents make a paying profit when you advanced in 1903 ?—We advanced as much as the retailer could stand.

Q. At that you were getting a reasonable profit ?—A. Our books did not show.

Q. What profit were you making ?—A. It is a little difficult to separate it because we had a fire in our mill which was burned, and of course we had to charge that up.

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Q. You could take that out?—A. I could have analysed that at the time. I think the profit would be a very small one indeed.

Q. What would be the profit roughly?—A. Probably about \$5,000 that year.

Q. The year that that rose?—A. Yes.

Q. On what business was the \$5,000 made?—A. We cut about three and a half millions that year.

Q. Common cut?—A. Yes. We retailed a very large proportion that year. We did not get into the wholesale business and I was associated with the gentleman who has just given his evidence, at Rosthern. We both belonged to the organization. I shipped him a considerable amount of lumber that year. That is all the wholesaling I did then. Probably about five or six thousand feet.

Q. Well then the next raise was when?—A. I think we raised somewhere in the neighbourhood of 75 cents in 1904?

Q. Would that be on about the same output?—A. A little increased output. About four and a half millions.

Q. What would that give you that year?—A. We sold that year's cut this last summer. We are situated differently from most men. We cannot put our lumber on the market until the following year. We sell the following summer.

Q. What would your profit be after it was raised 75 cents in 1904?—A. The sales in 1905 were shorter and the profits were between \$3,000 and \$4,000. We were burned out and simply wrote off a loss of about \$10,000 that year.

Q. So you would have to have raised 75 cents higher in order to make as much profit as before?—A. I should think not.

Q. How do you account for that?—A. Because of the slightly increased value of the stuff. There was an increase of wages also and supplies were a little higher.

Q. The increased cost of labour and supplies helped to raise the price?—A. And also I may say we had an epidemic of fever amongst our horses and we lost ten head of valuable work horses.

Q. You tried to make more profit?—A. Yes, in order to meet a deficit.

Q. On the same output?—A. The same output, pretty nearly five million feet.

Q. About four million feet?—A. About four and three quarter million.

Q. Was there any more reasons for that raise?—A. Yes, the work was more expensive while wages and supplies went up.

Q. There was some increase in the cost of labour and supplies?—A. Yes.

Q. Now as to your retailing. Was this all the raise you made?—A. Yes. I would like you to understand me that in raising our price we made an advance of price to what we were short on. We don't publish a regular list, we are not in a big enough way of business to do that, but simply if we are short of shiplap, for instance, we put \$1 on it and wait until some one comes along who wants it.

Q. And the retail prices were contemporaneous to the wholesale prices?—A. Our retail prices were practically the same. We just added the freight.

Q. You just added the freight to the retail price?—A. It was just getting the freight. You see in selling the basis it is 21 per cent Saskatoon, and we sell at 21 per cent Prince Albert and add the freight. I don't consider it good business but it was the custom to do so before I went there.

Q. Do you object to selling so. What was the difference between the retail price and the wholesale price at this time?—A. Just the freight. Just about \$2.

Q. The whole difference was the freight?—A. Yes, that was the custom of the millmen before I went there.

By Mr. Herron :

Q. You practically retail at the wholesale price?—A. Yes.

By Mr. Lancaster :

Q. Do you handle any British Columbia stuff?—A. A great deal.

Q. How do the prices compare?—A. I buy American V-joint for \$16 a thousand.

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Q. What is the comparison ?—A. There is no comparison at all, it is a most ridiculous price.

Q. About the American stuff, how much is it?—A. \$16 a thousand laid down.

Q. And the same stuff native ?—A. The same stuff costs that to make and it is not as good stuff.

By Mr. Sloan :

Q. Fir ?—A. Yes.

By Mr. Lancaster :

Q. What will be the difference between this American stuff and the native stuff?—A. In value ?

Q. Yes.—A. It is altogether a better class than we can make. You see we have no clear at all in spruce, it is all white knots there.

Q. You don't get the same stuff as you would make ?—A. I get better.

Q. And how does that compare ?—A. Well, I say that I can get similar stuff very much cheaper.

By Mr. Sloan :

Q. Have you bought any of that ?—A. I did in 1904.

Q. Have you tried to buy since ?—A. Yes, frequently.

Q. And it is practically the same as British Columbia prices ?—A. Practically the same.

By the Chairman :

Q. That is the stuff on which there is a \$10 freight ?—A. Yes.

By Mr. Lancaster :

Q. What profit do you make in the retail business there ?—A. We are looking for the profit.

Q. Don't you keep separate books ?—A. We don't separate the business in bringing them to a general ledger.

Q. Which is the best, the wholesale or the retail?—A. The retail I have always regarded, I would not have gone in for the wholesaling but we wanted money and the first man that came along got the lumber.

Q. Most of the profit is in the retail?—A. I sell about two-thirds wholesale and about one-third retail.

Q. Is there any difference in the profit ?—A. No, I get the same price plus the freight.

Q. Can you suggest any way in which it is possible to get lumber to the consumer ?—A. Well, I could give an answer but it would appear to be in the nature of a repartee. I would say 'let the dealer sell cheaper.'

By the Chairman :

Q. Can you give any opinion as to what the prices of the retailer are?—A. Well, I am fairly familiar with the prices in our district, in the whole of the ground our district covers. At Duck Lake there has been an advance of \$4 or \$5 a thousand and they compete with us.

By Mr. Herron :

Q. That is in addition to the freight?—A. Yes, that is f.o.b. I think that the gentleman who gave evidence here as to the price of lumber did mighty well in selling and getting \$4. We at the end of one year made a loss. At Saskatoon I did have some idea of opening up a yard at different times. I found all the retailers most difficult to deal with there and when I went down they produced what appeared to be a list from some mill that had gone through the squeezing process. They showed me

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prices that I could not sell at at all. I had a brother there who did a considerable amount of building and one day in talking to him I saw a price list of lumber lying on his desk. He said it was a retail list. It was just \$10 of an advance on what I was quoting to them, taken all round. I simply felt at the time that the only thing for me to do was to open a yard if I wanted to get any of that business. But so far as business went I had all the business I wanted. There was no need. They would not take my list, they said I was too high.

By Mr. Lancaster:

Q. How much higher?—A. They produced from some Mountain mill. I assumed they were in bad shape and were selling off. It was certainly a list at which I could not live at all.

By Mr. Herron:

Q. Had this retail association anything to do with this agent's prices?—A. I think one at least or two of the men I was dealing with were members of that association.

Q. How near is the nearest association yard to your retail yard?—A. In Prince Albert there are association mills.

Q. Are they near to you?—A. That is my own town. The mill yards there I believe are listed as members of the Retail Association.

By Mr. Schaffner:

Q. Do you belong to any association?—A. No.

Q. You are an independent manufacturer?—A. Yes.

By Mr. Lancaster:

Q. At Prince Albert how many yards are competing with you in the retail business?—A. There are three.

By the Chairman:

Q. Where they were charging ten dollars advance on the coast would they be able to do that on account of the demand there was for lumber?—A. I think it was mainly due to the unequal condition of things and also I think to a misunderstanding on the part of the public at large. Possibly I misunderstood the situation myself. At that time it was generally supposed that unless a man had membership it was difficult for him to get lumber. That was a common talk and possibly many men who would have liked to go into the business were deterred by that idea.

By Mr. Lancaster:

Q. You thought competition was frightening them?—A. Yes, I think so by a general idea that the Canadian Pacific Railway were going to deliver cheap lumber to us. The general impression ran through us that a man who went in there without being a member of the association could not buy.

By Mr. Sloan:

Q. When you buy from the coast do you buy as a manufacturer or as a retailer?—A. I could not tell you. Travellers come to my office.

Q. Do you buy from price list?—A. Oh, yes, always from a list.

Q. Do you get any special discount?—A. Two off for thirty days or ten days.

Q. Paid on the same basis as retail?—A. Yes.

Q. Had you any difficulty in getting lumber when you were not a member of the Retail Association?—A. No.

Q. Was it ever questioned?—A. Yes. Some years ago I had some enquiries when I sent for lumber; I think about 1903. They said, 'We do not see your name on the list of the association.' I wrote back and said I had the money, and had no diffi-

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culty in getting lumber. At Rosthern there was some feeling between ours and the other yards of the association. There were two other yards and they objected to us going into the business. Whether it was personal or official I do not know. I know it was a little hard to get it.

Q. Did you get it?—A. We did get it but there is no doubt there was opposition. It is a long time ago but we had difficulty in getting started then.

By Mr. Lancaster:

Q. Did those association yards ever approach you on prices?—A. They have spoken of it. They have said many times that we ought all to get together and arrange a price. I have always felt myself it would be a good thing if some sort of arrangement was made. But we have never carried it into effect.

Q. Do you consider their prices when you are fixing yours?—A. Indeed I do. I have to do it.

Q. And they perhaps are affected by the fact that you can sell at prices as cheap as they can?—A. That might be said if it was not this great difficulty in meeting the demand.

Q. Still you are selling two-thirds wholesale?—A. This year I do not expect to do that. This year I expect to sell almost all the lumber we have in the retail way. There are good buildings being put up round Prince Albert and there are great advances round there.

Q. So long as you are producing in your own mill you are not at their mercy?—A. I do not think the association took any hand in our prices. I am certain they never did. I had an informal chat with Mr. Cockburn and he told me 'I am not here as concerns your dealings with the retailers. I am up here simply in the interest of the association to know whether you would join that association. There are many benefits, but we have nothing to do with prices.' I said, I did not see any advantage in it. I did not think anybody was going to squeeze us very badly.

By Mr. Sloan:

Q. Do the retailers at Prince Albert who are members get out a price list?—A. We all publish a price list. I do not get the price now I did three or four years ago.

Q. Do you know the prices the other retail dealers are getting?—A. I meet them and they say, 'What do you think of this,' and I show them an alteration in price I have made, and they say, 'You are crazy,' or something like that.

Q. Do you get out a price list?—A. I think they do, but there is no uniformity about the price list, sometimes they are fifty cents or \$1 more than me and sometimes I am more than them.

By the Chairman:

Q. Is there a large area of country tributary to Prince Albert?—A. It is very scattered and thin. We have no railway to the north and in another year I think there will be considerable difficulty in getting stuff in. We cannot get the logs to town. We have to buy steam engines and haul twenty-eight miles.

Q. Has there been any increase in the output of lumber?—A. The Prince Albert Lumber Company has jumped up in two years from 15,000,000 feet to 65,000,000 feet this year.

Q. Are most of the timber berths sold?—A. I think so.

Q. And they are not operated?—A. Some of them are held and that is an injustice to the millers I think.

By Mr. Lancaster:

Q. Do you think the compulsory operation would make the relief?—A. I certainly think it would. I send out to cruise timber and having located the piece of timber—cruising is expensive—I asked to have it put up. Some gentleman in the east and the west, not interested in the business and having a good deal of capital at

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his disposal for investment, will make a strong bid for the timber, more than I can.

Q. And you would have compulsory operation?—A. Yes, and so I would have another mill in my vicinity.

Q. More competition?—A. Yes.

Q. And prices would go down?—A. Possibly. Another thing which helps keep up prices in our district is that a company started to take out four times as much logs as before. People did not know what they were going to do and were not prepared for it. Supplies were not on hand and everything went up in price. Our labour market was short and prices went up all round.

By the Chairman:

Q. Can you say anything as to the future?—A. There is liable to be a shortage of lumber, but it occurred to me that the deficiency could be settled if the operation of these berths were compelled.

By Mr. Lancaster:

Q. The witness does not seem to consider that altogether an unmixed blessing?—A. Certainly.

Q. Why?—A. If you throw open these timber limits you will find the price for them advancing enormously. Not so much owing to the fact that the millmen want to buy but because of speculators who will bid for them and send up their price, and the result would be advance in the price of stumpage.

Q. Does most of your profit come from the sale of lumber?—A. Altogether.

Q. Not from the manufacture?—A. Yes, because if you are driving here or elsewhere will be inspired to make a higher bid than it is possible for the mill to make.

Q. An increase of the price of the limit will have the effect of increasing the price of lumber?—A. Undoubtedly. If a man pays \$8.80 for logs I think he will want to get something back.

By Mr. Herron:

Q. What is the cost of the manufacture of logs piled in the yard?—A. Well, in a small mill, \$3 a thousand.

Q. And a larger mill could do it cheaper?—A. Certainly.

By Mr. Sloan:

Q. Does that \$3 include all the operating charges?—A. No. From the time that we deal with the product of the log it makes our cost \$4.50 a thousand.

By Mr. Lancaster:

Q. Laid down in the pond of the mill?—A. Yes. At our mill we have very little driving to do.

Q. That does not include the cost of stumpage?—A. That is the mere labour \$4.50 a thousand. And as I told you, I let a contract close to the mill this year, and it cost me \$8.20 to do it.

By Mr. Sloan:

Q. Then you say there is \$3 for the setting?—A. Yes, and to do the planing. To bring in probably over half of the cut to manufacture into flooring and siding is another \$2. The transportation of that five millions of lumber twenty-eight miles—I can do it for two dollars. I used to do it for four and a half.

Q. That is \$11.50?—A. Yes.

Q. Allowing \$3 for that, that would make \$12?—A. Yes. The lumber has to be rehandled at the yard, then ship charges \$1.50, timber dues 50 cents and the other cost that go with the business.

By the Chairman:

Q. Did you tell us the basis was last year \$19.75?—A. I hope to make it on a basis of \$21.50 net.

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By Mr. Sloan:

Q. I have got down \$14. Are there any other charges?—A. You just begin then. There is insurance, interest on borrowed money, the handling of all that and six per cent interest on the cost of operations which is practically \$60,000 a year.

Q. Can you give us any idea of what the cost of your lumber laid down in the yard is?—A. I gave it to you exactly. That is about \$14.

Q. But you say there are other charges not charged up?—A. There is the interest on the capital.

Q. You cannot give us a figure?—A. We set a capital of \$200,000 between our own money and borrowed.

By Mr. Lancaster:

Q. Do you know the terms under which these leases are held, the terms as to operation?—A. I think there is a clause, or at least there was a clause that the mill should be in operation.

Q. Within what time?—A. I do not remember a specific time, but as they are yearly leases, I presume they would be within a year. It was there within a few years ago.

Q. Is it a question of capacity?—A. The grievance in my mind is that they do not operate at all, they are purely speculative, and make us pay all kinds of prices for the lumber.

Q. On reflection, have I placed undue weight on your qualification that this was not an unmixed blessing? Don't you think that if they were compelled to operate the price of lumber would be cheaper?—A. The Dominion of Canada would undoubtedly lose in the shrinkage of values. That is to say, timber values were sold years ago very cheaply.

By the Chairman:

Q. You are suggesting that they should hold them for higher prices?—A. No, I was not. I was merely adding by way of comment that if it was made absolutely necessary for the holder of a lease to operate these same, the number of gentlemen anxious to get into the lumber business would decrease, and the price would decrease with it. There is a point of view for the Finance Minister, his sale of limits would decrease.

Q. The only evil from the people's standpoint is that the exchequer would not get as much from the sale of limits?—A. And there would be a general slump in the price of timber.

Q. Then the cost of manufacturing being no more, the people would get lumber cheaper, is that true?—A. I think it might work out in that way, but I think the time is fast approaching when the people are going to get that anyway. We will have more labour, more farmers, therefore we will have cheaper supply, and the competition is certainly increasing. I believe that the vexed question of this lumber question applies mainly to Saskatchewan. When you think that Prince Albert, which only produced fifteen million feet last year, is producing sixty-five million feet this year, that will give you an idea of the expansion. We are all stretching our necks to produce more, and we are making it dearer for ourselves. I know that if we only cut fifteen millions we could get all the men we wanted. But we could not deduct any this winter. It is the dearest logging I ever saw was this winter. I will put in these two lists. (Exhibit 80.) One is last year's wholesale price list, and the other is this year's retail price list.

By Mr. Schaffner:

Q. You are a retail man?—A. Yes.

Q. You make your prices regardless of any one else?—A. I simply sell at what my salesmen tell me. We have got to get a certain basis to get the thing to go. My honest belief is that in that town they do the same.

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Q. That is Prince Albert?—A. Yes, there are three other yards, and I know they do not combine about anything.

Q. You just independently make it up?—A. Yes, and if we are short of some stuff I get it from the others and mighty soon get to know what they are charging for theirs. We endeavour to keep the fact as much as possible, but there never was any arrangement about prices, so far as I know. As a rule, the salesmen are acquainted with each other and are probably members of a lodge together, and you can find out from your salesmen what they are getting.

Q. You tried to get the same price?—A. Yes.

Q. And if you find they are getting a bigger price, would you raise?—A. I think I would, I am sure I would.

By Mr. Lancaster:

Q. Do you know any other remedy to assist in getting lumber cheaper?—A. Well, sir, I don't think it is possible to get it cheaper.

By Mr. Schaffner:

Q. Have you any of the retail prices?—A. Yes, sir.

Q. Your own?—A. I have just laid these on the table.

Q. If I give you my address will you send me one?—A. Certainly.

Q. I want the latest?

Witness was discharged.

Mr. J. K. ROBSON, Treherne, sworn.

By Mr. Lancaster:

Q. What is your name?—A. J. K. Robson.

Q. Where do you live?—A. Treherne, Man.

Q. What is your business?—A. Retail lumber.

Q. How long have you been at it?—A. Nineteen years.

Q. Have you ever done any wholesaling?—A. No.

Q. Altogether retailing?—A. Yes.

Q. Have you always done it at the same place?—A. Yes.

Q. What have you to say about the prices people are paying for lumber? Prices that they have been paying during the last few years. Has there been any increase or decrease?—A. If you will let me read this statement it will probably save time and let me out.

EXHIBIT No. 81.

OTTAWA, March 21, 1907.

To the Chairman and Members of the Committee of investigation into the prices of lumber obtaining in the Provinces of Manitoba, Alberta and Saskatchewan:

DEAR SIRS,—I beg leave to submit some facts concerning the lumber trade and retail prices which have obtained from time to time during the past 30 years. I think these facts are pertinent to the investigation now in progress and will to some extent serve to show that high prices of lumber and low prices of lumber are not caused by the existence of the Western Retail Lumbermen's Association. On the contrary I believe the 20 per cent clause in the by-laws of the Western Retail Lumbermen's Association, which I think I am correct in stating has always been a by-law of that association, has had a deterrent effect on the retail dealer from unduly enhancing prices and has assured to the consumer his lumber at a fair profit on the delivered price from the manufacturer. In the province of Manitoba, which has now become fairly well settled, the retail lumber trade has assumed a normal condition, more particularly in

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the small towns and villages, and I believe I am correct in stating there will be considerable difficulty for the retailer to obtain 20 per cent on the present prices of lumber which have advanced \$3 per M. since October 1, 1906. This is one of the most embarrassing points to explain to his customer, the reason of an advance even of \$1 per M., and to explain an advance of \$6 per M. since December, 1905, makes it six times more so. The retailer being a business man is not surprised at these advances, being aware to a certain extent of the conditions which seemingly justify them. The consumer is blind to conditions which, however, justifiable, enhance the price of commodities he has to purchase, having his eyes wide open for the price of products he has to sell.

I am pleased as a retail dealer to note that the late advance of six dollars per M. has not been caused by the retail dealers or by the Western Retail Lumbermen's Association and has been apparently justified by the manufacturers who have been examined so far. This bears out the statement made at the beginning of this letter, that high prices of lumber and low prices of lumber are not caused by the Western Retail Lumbermen's Association.

I trust you will allow me for a short time to digress from the points at issue.

In the province of Manitoba, according to the printed membership list of retail dealers of the Western Retail Lumbermen's Association there were 235 memberships and in the province of Saskatchewan and some in Alberta—259 memberships, making a total of 497 memberships in the Western Retail Lumbermen's Association on November 26, 1906. The annual turnover of these 497 memberships amount to anywhere from 10 to 20 millions of dollars. Up to the present time I am aware of but two members being here to represent the vast interests apparently involved, viz.:—the retail lumbermen, these are the president of the Western Retail Lumbermen's Association and myself. It is but fair to ask that a representation of retail lumbermen from various points in the provinces of Manitoba and Saskatchewan who have been members of the Western Retail Lumbermen's Association for some time should be requested to appear and give evidence to show that the basis on which retail lists are made up is on the 20 per cent clause which is in the by-laws of the Western Retail Lumbermen's Association. As the evidence of at least one witness has gone back to the year 1894 you will pardon me if I go back still further.

It may be of value and of interest to briefly run over the prices of lumber in odd years since 1877.

The prices given are solely from memory but can be verified, I think, even at this late date.

1877-1878.

	Per M.
Dimension price at the mills of Dick, Banning & Co., and Macaulay & Jarvis, Winnipeg.	\$28 00
Common boards, flat boat per M. lumber from Minnesota.	25 00

The above prices can be verified by Messrs. Brown & Rutherford, of Winnipeg, who are still in business there.

1882.

I purchased a bill of lumber from S. McIlvanie at Portage la Prairie in 1882 to build a school house at Cypress River, and paid as follows:—

	Per M.
Common boards per M.	\$37 00
No. 3 white pine siding per 'M.	46 00
No. 1 white pine shingles per M.	6 00

I think Senator Robert Watson can verify the above figures which were obtained at this time.

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Practically commenced lumber business at Treherne in the spring of 1888, with R. S. Alexander, in business also in opposition towards the close of that year.

Prices, 1888.

Common boards.	\$21 00
Dimension.	22 00
British Columbia shingles.	4 00

Of the years succeeding 1888 and 1889 until 1894, the blue years in the west, there is little to say of comfort to the lumber dealer. Princes declined until even as late as 1896.

	Per M.
Common boards retailed at.	\$16 25
Dimension.	17 25

About 1896, prices at Somerset, on the Northern Pacific, were as low as, for common boards, \$13 per M.

I think the chairman of this committee can verify these low prices that obtained on the Northern Pacific points at Somerset and Swan Lake at or near the year I have mentioned, points on the Canadian Pacific branch lines were not favoured with a delivered price to meet these low prices, as the Canadian Pacific Railway charged an advance freight of, I think, 12 cents per hundred pounds from Winnipeg west for lumber coming from the American side. The Western Retail Lumbermen's Association had been then in existence for some years, and the lowest retail prices that lumber has ever been sold was at or near this time, in the province of Manitoba.

It was during the above era of low prices for lumber that prevailing low prices for wheat obtained. The consumer could not take advantage of these low prices having no cash to buy with and little credit. My sales of lumber during some of these years did not exceed 12 cars per year.

1902-1903.

Conditions gradually improved until in 1903 after some very good crops and better prices, and the tide of immigration beginning to flow towards the Northwest, the demand for lumber became greater and the price advanced.

	Per M.
Dimension sold for retail.	\$25 00
3rd common boards.	24 00

1904.

Prices again took a tumble owing to the Americans cutting in on the trade and over-production in the west, many mills had been started in the Mountains and being anxious to secure trade, prices were reduced.

Retail prices were also reduced.

Dimension sold at.	\$21 00 & \$22 00
3rd common boards.	20 00 & 21 00

1905-1906.

Retail prices of lumber in December, 1905 :

	Per M.
Dimension sold for.	\$23 00
Common boards.	22 00

Took orders for two bills of lumber in January and February, 1906, at the following prices : Dimension and board per M., \$23.

These two bills were cash bills and amounted to over \$2,700.

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1906—Treherne Prices.

		Dis.	Retail.
April, 1906, wholesale	\$20 00	\$1 00	\$25 00
Think May list, 1906, wholesale..	22 00	1 00	26 00
October, 1906, wholesale	23 00	No dis.	27 00
December, 1906, wholesale	24 00	"	28 00
March, 1907, wholesale.. . . .	25 00	"	.....

It will appear from the prices quoted that lumber has been sold at a very reasonable rate of profit on the wholesale delivered price at Treherne, and I am quite certain that prices approximating these closely have obtained throughout the province of Manitoba by the great majority of the retail dealers in connection with the Western Retail Lumbermen's Association in that province.

As far as the Western Retail Lumbermen's Association is concerned, I may state that it is desirous of harmony among its members. That the retail dealers in making up their lists should adhere to the 20 per cent clause, as their gross profit on the delivered price from the manufacturer. That their members should keep a stock of lumber commensurate with the demands of the community where they are doing business. They are not in favour of selling lumber without profit, nor are they in favour of any of their members exacting extortionate prices from the consumer. Where instances of either of these conditions exist and complaint is laid before the directors they would be advised to desist. The association has never been able to control situations of this kind, in fact not so long ago, and I have no doubt even now, there are members who do not hesitate to say the association is no good. The association has been of value to its members and also to the consumer. Shortly after its formation, a reduction of $5\frac{1}{2}$ cents per hundred pounds was secured from the Canadian Pacific Railway. The Fire Insurance Company, Rat Portage, which is confined to insuring only rural yards among its members, has been effective in reducing the rates of stock companies from $2\frac{1}{2}$ to less than 1 per cent on isolated yards, and has been able so far to give the retail members of the Western Retail Lumbermen's Association a rate of $\frac{1}{2}$ per cent. Statements have been made that the price list of retail dealers in connection with the Western Retail Lumbermen's Association were made under the direction of the directors of that association. As far as my knowledge goes, this statement is not correct. During the past eight years I have never known a director have anything to do with the making up of the price list, except as a retail dealer, and then only when his price list and the dealers in the immediate points adjoining were likely to do the same. Lists on the Souris branch of the Canadian Pacific Railway have been made up for years, when and where no director has ever been present. I can also state that at any meeting of dealers for the purpose of arranging the price list for the summer at Glenboro, Cypress River, Holland, Treherne and Rathwell, these lists have been based on the 20 per cent clause in the by-laws of the Western Retail Lumbermen's Association.

By Mr. Lancaster :

Q. You say the wholesale at 1st March, 1907, was \$25. What was the retail?—
A. We have not made it up yet.

Q. You have said just now that the associations are of advantage to both members and consumers. Of what advantage is it to the consumer?—A. Exctly what I stated. When the association was formed—Ithink I am right in this; they went to the Canadian Pacific Railway to obtain a reduction in freight rates between points where we got most of our lumber and they obtained a reduction of five and a half cents a hundred, which was given to the consumer.

Q. Any other advantage besides reducing the freight rate?—A. There is the twenty per cent clause. As I consider the clause, the consumers will always get their lumber at what we consider a fair profit.

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Q. Would it not be a greater advantage to get it at ten per cent? How is it an advantage to always pay twenty per cent profit to you?—A. I have given you one reason.

Q. Yes, freight?—A. And I consider it is an advantage. I think it is recognized in the province of Manitoba by consumers now. At least at the point where I am. There has never been any kick there to any extent that I know of about the prices we obtain.

Q. You mean by fixing the price at twenty per cent that it is an advantage to the consumer?—A. I think so.

Q. You say there is a basic or fundamental rule?—A. I think that has always been a by-law.

Q. Would you say there was such a basic principle?—A. There is now.

Q. You dispute that the directors make the price list. Is the director himself not a retail dealer?—A. Yes.

Q. You said he did not do it unless he was a retail dealer. Is he always a retail dealer?—A. Yes.

Q. He is a retailer and a director of the association?—A. He is not a director of the association when he is fixing the price list. He is only a dealer like anybody else. He has no more to say about the fixing of that price list than the other persons who would be there.

Q. If he fixed the price list on me and I was a member of the association and I would not adhere to it would not I be brought up before the association?—A. He could not fix that price unless the other members are agreed that those prices are right.

Q. They fix it altogether?—A. Certainly.

Q. But there is always a director concerned in it?—A. I stated it was not so. Take from Winnipeg to Souris, a distance of 150 miles, and I am satisfied that so far as my knowledge goes that there was no director present at any of the points within that radius at the making of any list.

By Mr. Herron:

Q. You travel through the country yourself, helping those directors to make those prices?—A. No.

Q. Are you sure?—A. Yes.

By Mr. Lancaster:

Q. We had some evidence, I forget by which witnesses, that directors are selected locally at the different places because they are supposed to keep an eye on the fixing of the price list?—A. The directors are selected at the meetings of the wholesale dealers.

Q. Why are they not selected locally?—A. A director would be probably put one on each side of the railway.

Q. For what purpose?—A. I suppose for the interest of one section.

Q. In what sense. What interest do they look after in that particular section?—A. He does not represent anything more than the interests of the Retail Lumbermen's Association.

Q. And what part of their interest does he look after in that locality. In what way does he serve their interests?—A. I do not think he represents their interest in that locality any more than he looks after the interest of any other locality that comes under the jurisdiction, if I may use that word, of the Retail Lumbermen's Association.

Q. What interest does he look after at any point whether in that locality or in any other? What does he do practically for those people whose director he is?—A. He attends the usual meetings of the directors, I presume, at Winnipeg.

Q. That is when he is at headquarters? But do you wish us to understand that he does nothing locally?—A. I do not know of anything local. I cannot bring any-

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thing to my recollection that he gives much attention to except his own yard in his own district.

Q. Does his report go to headquarters?—A. He represents the Western Retail Lumbermen's Association as well.

Q. And at this meeting is it discussed what prices are obtained in his locality?—A. I don't know that that is discussed at all, I cannot remember that.

By the Chairman:

Q. If there is a \$3 or \$4 advance in price what reason would there be for a discussion of the price by your association. You get your invoices and you know that you are going to make the 20 per cent advance. What need should there be for discussing it between you?—A. That is what I say. The prices are made, as I stated, in the local centres.

Q. If you are making the price list do you vary the 20 per cent rate?—A. We expect to make a flat 20 per cent on the sale of lumber, but we don't always do so.

By Mr. Lancaster:

Q. And whether you are or not, is that not discussed by these directors. If it was found that someone was charging 40 per cent, would that be mentioned?—A. I failed to find any instance of that kind.

Q. Supposing you were to find that this 20 per cent basis was not adhered to, would that be discussed?—A. If a complaint came in from amongst our members.

Q. Who would this complaint be made by?—A. From members of our association. They are not always agreeable and sometimes cut the price.

Q. And if there is a complaint, that complaint goes to the board of directors?—A. Yes.

Q. It is the board of directors that look into that complaint?—A. Yes.

Q. And don't you agree with me that it is merely the price that is considered?—A. I stated that the members are advised by the directors.

Q. To restrain them from that course?—A. We don't restrain them from doing anything.

By the Chairman:

Q. You cannot prevent them?—A. No.

By Mr. Lancaster:

Q. Practically they can sell at 30 per cent what you sell at 20 per cent if they like to do that. Would the directors look into that?—A. If a complaint was made about it.

Q. And they inquire as to the price that is being received for lumber?—A. I don't know that they bother very much about the price so long as it is kept in harmony.

Q. Don't you know that the constitution contains a clause requiring the price to be regulated from time to time by the directors?—A. I would be much surprised to find that.

Q. I think it is. Have you a copy of the constitution?—A. I have not got the latest.

Q. Have you read one lately to refresh your memory?—A. My memory is not very good and I haven't got a late one with me.

Q. The one you have got in your hand, does it not say anything about the regulation of prices?—A. It refers to the 20 per cent clause.

Q. What does it say about prices and the duty of directors?—A. It says that members of this association will make a price list for the point for which membership has been granted and that the charge shall not be more than 20 per cent over the mill cost.

Q. What does it say about the duty of directors? Section 11 says:—

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'In case any member refuses to observe the decision of the secretary-treasurer upon investigation of complaints or violation of the by-laws within two weeks after being served with a written intimation thereof, the matter shall be brought by the secretary-treasurer before the executive committee or the board of directors, who shall investigate the complaint and may affirm or vary or set aside the decision of the secretary-treasurer. In case the decision of the secretary-treasurer is affirmed, the offending member may be expelled forthwith. In case the decision of the secretary-treasurer being varied and the offending member neglects or declines to comply with the rulings of the executive committee or board of directors within two weeks thereafter upon written notice by registered mail of the same, then such offending member may be expelled from the membership of this association.'

By Mr. Fowler:

Q. Are you chairman of the Western Retail Lumbermen's Association?—A. I am not now.

Q. When did you cease to be?—A. My time expired, I think, in 1905.

Q. And you were not re-elected?—A. No.

Q. When you were a director, what was your district?—A. What do you mean by district? Winnipeg to Souris?

Q. What as a director did you have jurisdiction over?—A. Well, I don't know about jurisdiction.

Q. You as a director was responsible to the association?—A. Yes.

Q. How long were you a director?—A. I think ten years.

Q. Continuously?—A. I think so.

Q. Did you assist in making the price lists during that time?—A. In my locality?

Q. In this society that you represented as director, were other price lists made to meet your price list?—A. Probably not.

By Mr. Lancaster:

Q. Clause 9 says:—

'All complaints as to violation of the constitution and by-laws of this association by members may be reported to the secretary-treasurer, who shall investigate the same and report to the executive committee or board of directors.'

Exhibit No. 82, copy of constitution and by-laws of the Western Retail Lumbermen's Association, put in.)

The Committee adjourned.

WEDNESDAY, March 27, 1907.

The committee met at 10 a.m.

Present: Hon. Thomas Greenway, chairman; Messieurs Galliher, Herron, Sloan, McIntyre, Schaffner.

Examination of Mr. J. K. ROBSON continued.

By Mr. Lancaster:

Q. You were telling us when we adjourned about the way you looked at the directors' duties. You were telling us the directors of the Western Retailers' Association had nothing to do with fixing prices?—A. Yes. I stated that.

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Q. You still adhere to that?—A. Yes, as dealers.

Q. Notwithstanding what the by-laws that I read to you say, you still adhere to the statement that they had nothing to do with arranging prices other than their own points as dealers?—A. If they wished to, they might go out; but I do not remember any case in my line where they did it.

Q. It amounts to this: you do not happen to remember any time they did do it?—A. That is it.

Q. You would qualify your statement to the effect that they never had anything to do with it?—A. I qualify my statement that, as far as my knowledge goes, I never knew it to be done.

Q. Do you realize that the by-laws that you had, as I pointed out to you, provide that any complaint shall be reviewed by the executive or the board of directors?—A. Yes; well, that would be at their meetings in Winnipeg.

Q. And that would cover the question of prices, of course, as everything else that the secretary-treasurer deals with?—A. Well, I cannot remember anything much about that at present.

Q. The by-laws that you produce here—A. They deal with complaints.

Q. And they are correct. You do not pretend to say they are wrongly printed, or anything of that kind?—A. No.

Q. You say in this statement of fact that you handed in, in lieu of asking questions, that you believe the 20 per cent clause in the by-laws, which you think you are correct in stating has always been a by-law of that association, has had a different effect on the retail dealer from duly enhancing prices. Do you know where a retail dealer charged more than 20 per cent and was found fault with for doing it?—A. I do not know that.

Q. The reason you say the 20 per cent clause in the by-law had the effect of preventing them charging more than that—A. I will tell you how the thing has resulted, as far as our own community is concerned—and I think outside of it on that line: Last April we made up our price list, April, 1906; the prices have advanced a good many times since then, probably five advances, I think four anyway. Now, that 20 per cent clause amongst the dealers along our line has been upheld so well that we expect—and it is followed out, I think—that when the wholesale list is advanced a dollar, we naturally raise another dollar. Of course if there is five advances we will likely have to raise two, because we should raise \$1.20 on every dollar. They uphold that. I am speaking of the community where I am and have been for nineteen years. Those dealers along that line have stayed with that, and we do not really require to make a price list, because they have just gone on that principle.

Q. And has that always been a by-law of the association?—A. As far as I know.

Q. Do you know whether it has or not?—A. Well, I am pretty sure of it; that is all. I am satisfied that it is, but I could not swear to it.

Q. You do not think any members of the association ever charged more than 20 per cent, from what you say?—A. Well, I do say that I expect they have; I have no doubt they have.

Q. I drew the other inference from what you said, that they had always adhered to that, and not charged any more?—A. Well, principally through the province of Manitoba.

Q. You think they did charge more?—A. Yes.

Q. If so, they went contrary to the by-law?—A. They did.

Q. Do you know of them ever being found fault with for doing it?—A. I could not say.

Q. You do not know of any case where they have been found fault with?—A. I cannot recall that to mind. You will get that evidence from Mr. Cooper.

Q. I want your evidence. You have been a director of the association for some years?—A. Yes.

Q. And as far as you know, there has never been a complaint for charging more than 20 per cent. but you believe there have been many cases where more than 20 per

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cent has been charged?—A. Excuse me, I think the secretary did mention last summer about excessive prices that were charged at Saskatoon.

Q. Did you ever, as a director, have to investigate a complaint of that kind?—A. You see we cannot investigate unless the complaint comes in to the board of directors, and if they do not come in, there is nothing to investigate.

Q. Were there ever any complaints sent in, so that you investigated?—A. I do not remember.

By Mr. McIntyre:

Q. Whom did the complaints come in from?—A. From the dealers' association.

By Mr. Herron:

Q. One dealer cutting in on another in some way, or charging extra?—A. Yes; sometimes our own dealers got to war with each other.

Q. Then there was trouble?—A. Yes.

By Mr. McIntyre:

Q. You submitted a report to the committee, did you not?—A. Yes.

Q. Who prepared that?—A. I did, myself.

Q. Without assistance?—A. Without assistance.

Q. You were not advised as to that?—A. No.

By Mr. Lancaster:

Q. It is made up from memory, and since you were here, listening to the evidence of other witnesses?—A. Yes.

Q. Made up two or three days ago?—A. Yes, I had to do something.

Q. You dictated it to a typewriter?—A. Yes.

Q. It is your own get-up?—A. Yes.

Q. After hearing the evidence of some of the witnesses on this investigation?—A. Yes.

Q. So far as the facts are concerned, as a matter of history, they are entirely your own memory?—A. Yes.

Q. You say you think there will be considerable difficulty for the retailer to obtain 20 per cent on the present prices of lumber, which have advanced \$3 per thousand since October 1, 1906?—A. Yes, there will.

Q. You do not want to qualify that, that you think it will be difficult for them to get 20 per cent on the present prices, they have advanced?—A. Yes, we always have had that difficulty.

Q. What will prevent them getting the prices? If they do not choose to sell, how can they be made to sell at any price?—A. That is what I say; it is up to the dealers themselves, and I know from practical experience in the lumber business how difficult it is to advance the retail price on advances over the wholesale list, because they always start kicking.

Q. You say this is one of the most embarrassing points to explain to his customer?—A. Yes.

Q. It embarrasses him to explain to his customer why he should charge him \$3 more than he did in October, 1906?—A. Yes.

Q. What embarrasses him? Why is it embarrassing?—A. They look at the position, I suppose, as most people do—

Q. You mean the explanation is not easy?—A. It is not easy for us, because we cannot explain that. We are not aware ourselves of the reason.

Q. You do not know the reason?—A. No.

Q. You do not know the reason that that has advanced?—A. Why certainly, I do not know.

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Q. 'The reason of an advance even of one dollar per thousand, and to explain an advance of \$6 per thousand since 1905'—?—A. Yes.

Q. That is correct?—A. Yes.

Q. The price has advanced \$6 a thousand up to 1905?—A. Yes.

Q. The wholesale price?—A. Yes.

Q. You say it is difficult to explain that to the customer?—A. Yes.

Q. And the explanation is not easy?—A. No.

Q. And you do not know yourself what the explanation is?—A. No.

Q. I see you say, on page 3 of this statement (Exhibit No. 81) at the foot, that prices at Somerset, on the Northern Pacific, were as low as, for common boards, \$13 per thousand. What do you mean by that?—A. I cannot give you that date; 1896, I think.

Q. In 1896 prices at Somerset, on the Northern Pacific, were as low as \$13 per thousand for common boards?—A. Yes.

Q. What are those now?—A. At Somerset?

Q. Yes?—A. I could not say.

Q. You do not know?—A. I do not know. It is not on the same line of railway as I am.

Q. How do you know they were that price at Somerset then?—A. Because it is twenty miles south of me, and my customers were leaving me and going down to Somerset to buy the stuff.

Q. '1902-3, conditions gradually improved until in 1903, after some very good crops and better prices and the tide of immigration beginning to flow towards the Northwest, the demand for lumber became greater and the price advanced'—?—A. Yes.

Q. That was the reason of the advance?—A. Yes.

Q. The reason was the demand was greater?—A. Yes.

Q. And dimensions sold for retail \$25 per thousand, and common boards \$24 per thousand. Prices again took a tumble owing to the Americans cutting in on the trade and over-production in the west; many mills had been started in the mountains, and being anxious to secure trade, prices were reduced?—A. Yes.

Q. That is the reason of the slump in 1904?—A. That is the information I gathered from travellers who came to my office.

Q. We want to get the facts, and I do not want to have any misunderstanding, and I am going to draw your attention to the fact that there is not a word in either of the statements about the increased cost of production, that when the prices went up you give us the sole and only reason, and you have repeated it to me verbally the same as in your statement, that apparently the whole cost of the increase in 1903 was because there was a greater demand, and the tide of immigration flowing in. There was a greater demand for it and you could put up the price. You do not want to qualify either of the statements, either the written statement or what you have sworn to?—A. I do not understand you.

Q. You told me in the statement, and repeated it, that conditions gradually improved, until 1903, after some very good crops and better prices, and the tide of immigration beginning to flow towards the Northwest, the demand for lumber became greater and the price advanced?—A. Yes.

Q. You said that was the reason of the advance in price, that the demand was higher?—A. That was the result on the retail side.

Q. That is the reason the retailers advanced their price, that they had a greater demand?—A. The wholesale price advanced also.

Q. For the same reason?—A. Yes.

Q. Do you know that now, or are you just guessing at that?—A. I assume that from the information that I derived as a retailer from the travellers who come to my office.

Q. On reflection, would your assumption not probably be wrong, if wholesalers stated that it was on account of the increased cost of production?—A. I told you I

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could not explain this last increase of \$6 per thousand. I do not know anything about the wholesale business, and I am not in a position to state.

Q. Would it not be just as fair to assume the reason was because of the increased cost as that it was because of the reason the retailers advanced?—A. No, I do not think so.

Q. You still say that it was because of the increased demand that went up?—A. Well, the advance in those days was not to such a great extent as that, and I was aware of the conditions of my customers, and there were other points too.

Q. You do not think the wholesalers' cost of production warranted any such advance?—A. I could not say.

Q. You said you did not think it?—A. I said I could not explain that advance.

By Mr. Herron :

Q. You had a good deal to do with the formation of this retailers' proposition?—A. I do not think so. I do not think that I was one of the first members of that organization. I became a member——

By the Chairman :

Q. You were sixteen years a director?—A. Yes. Well, the last annual meeting was the sixteenth annual meeting.

By Mr. Herron :

Q. What was the year the Western Retailers' Association was organized?—A. Oh, I could not tell you if that was the annual meeting; that would be 1891 or 1892.

Q. How did its formation come about? Perhaps you can tell us something about that? What were its objects?—A. I could not, because I do not remember anything about the formation of the organization in the first instance.

Q. Do you remember the first meeting?—A. I could not say, because I do not think I was a member at the first start.

Q. Were you one of the first directors of that association when it was formed?—A. No.

Q. How long have you been in the lumber business in Treherne? That is where your present business is?—A. Yes. I have been there for nineteen years.

Q. Had you opposition when you first started or had you the place to yourself?—A. Yes, I had opposition practically from the start there, from 1888 until the spring of 1890.

Q. Who was your opposition when you started?—A. R. S. Alexander.

Q. How long did he remain in opposition to you in business?—A. He was in business up till 1890, and there was a bad fire there, which burned him out, and he quit and went into the grain business.

Q. Was that the real reason why he left the place?—A. Yes.

Q. From the time that Alexander was out of the lumber business in Treherne had you opposition again for considerable time, or had you the business practically to yourself?—A. No, I had the business practically to myself for six or seven years.

Q. What was your opposition then?—A. Well, there was a contractor started getting in some lumber. He did not get in very many cars a year, probably seven or eight, and did some business there.

Q. Did he make application to become a member of this retailers' association?—A. I could not say. I do not think so.

Q. Have you any definite recollection or knowledge of that?—A. I have not, but I do not think it.

By Mr. Sloan :

Q. What was the contractor's name?—A. R. F. Steele. I do not think he could obtain membership, being a contractor.

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By Mr. Lancaster :

Q. He could not under clause 7 of the constitution?—A. No.

Q. Why do you not let contractors join your association? What is the reason for clause 7? Clause 7 reads:

‘Whereas it is considered advisable to avoid any undue advantage as between active dealers, no member of this association may be a contractor for doing work, or becoming security for the due completion of work contracted for, except as provided in the next section, and that specified detailed prices be given to all consumers or contractors asking for tenders.’

You made them have special detailed prices, if they were let in under the contingency in the other rule. What was the reason of that stringency?—A. I could not state all the reasons and I would infer that the majority of lumbermen are not contractors. They may be very good lumbermen and very poor contractors, and the contractors would certainly have a very great advantage in taking bills for supplies for buildings and houses they had under contract, which would be an injury to the trade generally.

Q. That would be the only reason?—A. That might not be the only reason, but that is one anyway.

Q. Can you think of any other?—A. I cannot just now.

By Mr. Herron :

Q. Was there any considerable difference and difficulty between the retailers throughout your province, say last year, the year 1906, difficulties at different times about price lists and cutting prices and with regard to charges. Was there not a good deal of trouble of that kind?—A. I could not say.

Q. At any time in 1906?—A. I could not say, I do not know of any.

Q. Did you not have a number of trips to make over that country to adjust matters of that kind last fall, or what was your travelling?—A. My trip was principally to go out on the Canadian Northern line, where we have not been able, or had not been able up to that time, to bring into our organization the dealers in lumber. There are dealers out on that line who are not members of our association. I was sent out there to try and get members for our organization, and to canvass for the first insurance in connection with our organization.

By Mr. Schaffner :

Q. Why were you not able to get them into the organization?—A. The territory had never been looked after by the association. A good many members had sent in an application, but there were points along there that did not, and still, I believe, do not belong to our association.

By Mr. Herron :

Q. What were the objects of getting all these new sections of country into the Retailers' Association? What were the principal objects?—A. Well, we want every legitimate dealer in the country to belong to our association.

Q. To help him or to help the association?—A. To study the lumber trade generally throughout the whole country.

Q. Do you consider that once you have them in this association and get them bound to these by-laws, that they will stick to the prices you fix?—A. I do not know. We have never been able to hold them down to the prices.

Q. You have the laws of this association for this purpose?—A. Yes, we have our by-laws.

Q. And you can get them in, I suppose? If you get all the lumber dealers into the association, you then have the chance of controlling the trade, fixing the prices,

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and compelling these people to maintain them. That must be the object?—A. No, it is not the object.

Q. Is it for your good or for their good?—A. The association does not fix prices.

By Mr. Lancaster :

Q. The association controls the prices. These people fix the prices, and if there is a complaint made to the secretary about a man breaking the prices, he can be appealed from to the directors of the association, and they can expel him?—A. They can, but I never knew that they did.

Q. You said the association did not fix the prices?—A. They did not.

Q. They have power to expel a man?—A. The dealers fix the prices.

Q. And if they do not adhere to these prices the association, under clause 11, can expel those who do not?—A. I do not say they can expel them for breaking those prices.

Q. Rule 18 says:—

‘In case any member refuses to observe the decision of the secretary-treasurer upon investigation of complaints of violation of the by-laws’—

Now the by-laws provide how the price list shall be fixed. So any complaint in that regard within two weeks after being served with an intimation the matter shall be brought by the secretary treasurer before the executive committee or board of directors, who shall investigate the complaint, and may affirm or vary or set aside the decision of the secretary-treasurer; in case the decision of the secretary-treasurer is affirmed the offending member may be expelled forthwith. In case the decision of the secretary-treasurer being varied and the offending member neglects or declines to comply with the rulings of the executive committee or board of directors within two weeks thereafter upon written notice by registered mail of the same, then such offending member may be expelled from the membership of the association?—A. Yes, he may be expelled. I do not know; there has never been any case of that kind brought up where they expelled a member.

By Mr. Galliher :

Q. You have price lists for the retail trade among your Retail Dealers’ Association?—A. Yes.

Q. Those price lists are fixed by somebody?—A. Yes.

Q. Are they not fixed by the association?—A. No.

Q. Who does fix them?—A. The dealers fix them.

Q. You are one dealer, and there are probably fifty dealers in the association. How do the other forty-nine know what this particular dealer is going to fix?—A. He does not know.

Q. Does every dealer get his own price list?—A. Now you know the territory where I am—

Q. I do very well indeed?—A. There is Treherne, Cypress River, and three other places—those five points fix our price. Those dealers themselves fix the price. Those grouped in that particular part belonging to the association fix the price.

By Mr. Lancaster :

Q. Any complaint of irregularity goes to the secretary-treasurer, and the secretary-treasurer appeals to the board of directors, so, after all, we are quibbling, if we allow you to say the board of directors do not control it?—A. I beg pardon, that is not the case. I do not know that any of those lists that are sent in to the secretary are any more than filed away for reference.

Q. Rule 5 says: ‘Whereas it is deemed expedient and proper that all members of this association make a price list for the point for which membership has been granted.’ So that it must be done under these by-laws?—A. Not necessarily.

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Q. 'And that all lumber and timber usually sold in a retail lumber yard be charged for at not more than 20 per cent over wholesale cost.' Rule 8 says:—

'The executive committee or board of directors, at such points where there is only one member established, may allow such member to enter into contract, provided that no interference with the business relations with other members is likely to arise therefrom.'

That is providing that they must not permit a contractor to do something that will interfere with the business arrangements of the rest of you. I do not see why it should not be so. Any complaint of a breach of this arrangement of prices which I have read must come from the secretary-treasurer, who must adjust, is subject to an appeal to the board of directors?—A. Yes.

Q. If they do not do what is right you can bring them before the directors. It is incorrect to say the directors do not fix the price?—A. They do not fix it.

Q. Well, they unfix it?—A. No, they do not.

By Mr. Galliher:

Q. I think the only difference between you and the committee is simply this, and we can take it for what it is worth; you go so far as to say that as an entire body the directors do not fix the one uniform price list for all the different component parts of the district?—A. That is it.

Q. But that in groups they do fix them; some of those people may be directors; in groups of four or five they fix their price list there?—A. No, excuse me. There may not be a director present at all.

Q. But as it happens you are a director?—A. Yes.

Q. And in your little coterie you as a director, and as an individual member as well, fix your price?—A. The other dealers have as much to say in fixing that list as I have.

Q. I am not laying it all on you?—A. That is the point I want to get at. The association is not fixing the list.

Q. You are maintaining that the association as a whole does not fix them?—A. Certainly not.

Q. But after all the different prices in these different little groups are fixed by members of the association, and it is after all the association that fixes them?—I mean it is a matter of deduction?—A. It is a deduction I do not draw.

By Mr. Lancaster:

Q. Perhaps you will say that the committee did not question you here to-day, because Mr. Herron, Mr. Galliher, and Mr. Lancaster questioned you, that it was only some of the committee, but not the committee. It is the same distinction?—A. Now, supposing—and such cases do exist—where there are members, I think I could specify three points where there was such a variation in their prices last year inside of thirty or forty miles—a variation of \$10. Now, we had members of our association at three different points where there was a difference as high as \$10 per thousand. I am satisfied I am right about that.

By Mr. Galliher:

Q. The same grade of lumber?—A. Yes.

By the Chairman:

Q. Someone was charging too much?—A. Yes.

By Mr. Lancaster:

Q. Now you mean to say, as Mr. Galliher has stated, that these different things are arranged in different districts?—A. Yes.

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Q. That being so, supposing a man in that district does not adhere to that price list, the directors can expel him?—A. They may, but they have not done so.

Q. But they may do it if he does not adhere?—A. I am not saying that the clause entirely refers to making prices. It is the violation of the by-laws that is referred to.

Q. And by-law 5 requires that those prices shall be fixed?—A. But the violation of the by-laws—

Q. Does not include by-law 5?—A. Certainly it would. I do not know but that clause was put in for that purpose.

Q. They can bring a member on the carpet for other things besides the matters we have been discussing?—A. Yes.

By Mr. Schaffner:

Q. How often do you meet in this association?—A. The directors?

Q. Yes, about how often?—A. Sometimes twice a year. They have met as often probably as four times.

Q. The representative, or any lumber dealer in that district, can be notified and come?—A. They have a notification, I expect, of the meetings of directors.

Q. But I mean the whole association?—A. No, it only meets once a year, the annual meeting.

Q. What do they discuss at the meeting?—A. They discuss points in connection with the lumber business.

Q. Name some of the points?—A. The fire insurance has been the strongest of late, and there are other points possibly. I was not at the last one. I could not say.

Q. Do they ever talk about prices? Do they discuss prices?—A. Well, there are no specific cases that ever I can remember.

Q. You have had a meeting of the association of lumber dealers? I want you to say whether they discuss prices at which the retailer shall sell lumber?—A. Oh, probably they have.

Q. What is their object in discussing it?—A. Well, when the American stuff comes in there are points, as I mentioned there where the rate is less, and the stuff has been delivered wholesale at less than the lists that we have seen from the wholesale dealers in this country, which disturbs trade, and there has been a difference, as I have stated, there of as low as \$3 a thousand. When those conditions prevailed it is a disturbing element in the trade. Questions like that come up for discussion.

Q. American lumber does not come in very much?—A. It has not since 1904.

Q. When was the last meeting at which you were present?—A. It was in 1906.

Q. Did you discuss prices then?—A. I do not remember. I do not think there were any prices up for discussion that I can remember of at that time. That is not a vital point at an annual meeting of the association.

Q. And you do not have any association price list?—A. We do not have an association price list.

Q. I asked if the Independent Lumber Company was a member of the association, and the answer was, 'I cannot answer that, any more than I know this, that they are using the price list of the association at the present time. They are selling at the association prices and using their price list.' A gentleman swears they have price lists?—A. Certainly those dealers at the points where the Independent Lumber Company are have a list.

Q. This is the association list?—A. No, it is the list of dealers in that particular locality.

Q. A list of dealers belonging to this association?—A. And those dealers may include an independent yard, and they have done so.

Q. You made a remark that you could not hold them down?—A. We could not control them. I said, 'you cannot control situations of that kind.'

Q. The expression you used was that you could not hold them down?—A. That is what I meant—cannot control the position, the situation of either cutting or advanc-

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ing prices. If the association had the power—well, probably that is not the right way to put it—the association has never been able to control it.

Q. You say you cannot hold them down?—A. Hold whom down?

Q. The retail dealers in your district or any other district. What do you want to hold them down to?—A. To 20 per cent profit in our by-laws. That is what we expect them to be below.

By Mr. Galliher :

Q. Either above or below?—A. We expect them to be below.

By Mr. Lancaster :

Q. You said that in instances of breaking these conditions they would be advised?—A. Yes, that is all we can do.

Q. Then the directors are in the habit of making complaints in regard to prices? When you wrote this statement a day or two ago, you knew the directors were in the habit of revising these prices?—A. I say we do consider those complaints.

By Mr. McIntyre (Strathcona) :

Q. Is it an infringement of the by-law to charge less than 20 per cent? The by-law gives a maximum of 20 per cent?—A. That is supposed to be the maximum.

Q. But there is no minimum?—A. No, but there are minimum price lists, and prices that exceed and prices that are lower.

Q. As I understand a member of the association could come in and infringe by exceeding 20 per cent, but not by falling beneath it?—A. They do fall beneath.

Q. They would not come under that by-law if they had fallen under. (No answer.)

By Mr. Herron :

Q. On your trip last fall and last summer in the Canadian northern section of country how did you find the prices there? How were the prices ranging in that country, compared with other parts of the country?—A. I can mention three instances that probably they are the same. I have not been paying an awful lot of attention to that, though I made some inquiries. Here are two lists. This is supposed to be the Saskatoon list, and I think it is too. That was in June, and here is a north Battleford list in June last year. There is a variation there. At Humboldt the Prince Albert spruce siding or floor No. 1, I think it is—I think that is right—was running about \$28 a thousand. At Warman, north of Saskatoon, it was \$32 a thousand, and at Saskatoon No. 1 was \$37.

Q. What is the difference between the freight rates at these points?—A. Could not tell you.

Q. What is the difference between the freight rates at these points?—A. Could not tell you.

Q. Would there be much difference?—A. I could not tell you. Humboldt is not far north of Warman.

Q. Would there be \$4 or \$5 a thousand?—A. I do not think so.

Q. Is that wholesale or retail?—A. Retail. They are practically selling stuff at Humboldt at pretty near cost.

Q. They were selling it at Humboldt for practically cost?—A. Yes.

Q. What was the result of that trip of yours regarding prices? Were the prices advanced or reduced in August last, after the organization trip that you made?—A. I was not arranging any prices.

Q. I thought you told us you were getting the lumber dealers into the association?—A. Trying to get them in.

Q. Did you not succeed in getting them in as members of the association?—A. I think I succeeded in getting some.

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Q. What percentage of the dealers in that locality?—A. I did not run over the list. I did not get very many.

Q. Did you get half of them?—A. I could not say. There were a great many points I could not visit. I was only there two weeks, and could not cover the ground. I covered the ground from Lloydminster down to Humboldt.

Q. I think you ought to be able to answer my question, if you wished to. What was the result of your trip? After you made this trip through that country, did the prices generally in that part of the country advance or increase in these yards?—A. I do not think my trip had any effect on those prices at all. If they advanced, they advanced as they would do naturally. That is on the wholesale advance.

Q. You told us some were selling practically at cost?—A. Yes.

Q. Do you think they advanced any after you showed them the error of their ways, that they were selling too cheap?—A. I could not say whether they advanced or not. I do not think so. I would not expect so, because at Danna, Bruno, and Humboldt—at Danna there were no members of our association—

Q. When you have once obtained the membership in a locality—that is obtained lumber yards or got lumber yards to become members of your association, say half the lumber dealers in a locality—do they not fix the prices, and do those who are not members live practically up to the prices you fix?—A. I suppose they usually follow the price list.

Q. I suppose that is generally the result?—A. I suppose it is.

Q. That in the manufacturing and retailing, the retail dealers fix the prices, and those who are not members live practically up to the prices, and take advantage of the prices fixed by the association?—A. By the dealers at those particular points, not fixed by the association.

Q. That is only a quibble. We claim from the evidence that has been produced from the beginning, and from your by-laws, that the association does fix the price, and you are maintaining that a few local dealers fix the price?—A. It is not a quibble. If that is a quibble, how does the fact obtain that at Saskatoon the prices were higher, and at Warman they were \$5 less, and at Humboldt selling at cost?

Q. Before you got them into the association?—A. They were members of our association at that time at Warman, Saskatoon and Humboldt.

Q. Is this not part of the business you undertook to regulate and fix?—A. No, I could not regulate it, and I did not attempt to.

By Mr. Schaffner:

Q. Were those the ones that you could not hold down?—A. Yes. I did not regulate and could not attempt it.

By Mr. Lancaster:

Q. Why did you go up there?—A. I went up there in the interests of the fire insurance company in connection with that organization, and to get dealers where we had no members of our association. There were new yards starting along there at those points that had gone in, and I wished to get those made members of our association.

By Mr. Galliher:

Q. Previous to your going up, had the association received any complaints regarding the action of those men who were members of the association up there, as to the prices charged?—A. Well, I think probably you will get that information more fully from Mr. Cockburn, when you get him, but of course the dealers up there in Prince Albert are both wholesale and retail, but anyway they have been objecting to the high price that prevailed in Saskatoon.

Q. Complaints were coming in?—A. I understood so.

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Q. And in your capacity in going up, were you to make inquiry regarding those complaints?—A. I was to make inquiry regarding the prices.

Q. That would have reference to the complaints too?—A. Yes.

By Mr. Lancaster:

Q. Who is the Mr. Cockburn you mentioned?—A. He was secretary of the association until last year.

Q. Are you aware that the wholesale price delivered at Saskatoon now is \$23.50?—A. I could not say, I could not tell you.

Q. You said that the retail price at Saskatoon was \$37?—A. Yes, but understand me, that is No. 1 spruce floor siding, not No. 1 dimension.

Q. What is No. 1 dimension?—A. There is the retail price there on the list I gave you.

The CHAIRMAN.—It is \$29 on this.

By Mr. Lancaster:

Q. On the first page of the statement you put in yesterday you speak of this embarrassing question of explaining to the customer the reason of an advance, and to explain the advance of \$6 a thousand since December, 1905. How many meetings of your association did you have while that \$6 a thousand was being put on in 1906?—A. There would just be the annual meeting at the beginning of 1906.

Q. There was an advance of \$6 a thousand put on in December, 1906?—A. That is the wholesale advance.

Q. You are made to pay to the wholesaler altogether \$6 a thousand more in 1906 than you had been paying in December, 1905?—A. No, that was from December, 1905, until the last notification we got in March, 1907.

Q. How many meetings of the association would you have in regard to that raise of prices?—A. We did not have any meeting of the association in regard to that. There is only one annual meeting of the association.

Q. Was that raise of prices discussed at the annual meeting?—A. I was not at the annual meeting in 1907.

Q. You say off your own bat in this statement which you have put in of your own volition—'this is one of the most embarrassing points to explain the reason of an advance even of one dollar per thousand, and to explain an advance of \$6 per thousand since 1905 makes it six times more'?—A. Yes.

Q. It is six times more embarrassing?—A. Yes.

Q. How many meetings of the association did you have to relieve yourselves of the embarrassment?—A. I was not at the last annual meeting.

Q. Had you any meetings in regard to that six times more embarrassment?—A. We only had one meeting.

Q. Did you discuss this six times embarrassing situation?—A. I was not at the last annual meeting, which was February, 1907.

Q. Did the directors meet in regard to the six times embarrassing situation?—A. I could not say. I was not a director.

By Mr. Galliher:

Q. What is the total raise in the wholesale price during the last twelve months?—A. Six dollars in 1905.

Q. Several witnesses have given the raise in the last twelve months. I want to see if your statement agrees with that—from March, 1906, to March, 1907. (No answer.)

Q. They said four dollars between December and March, and a raise of two dollars later?—A. I think in the time \$2 was the biggest raise at any one time.

Q. Did your association, whether at an annual meeting, or whether in small sections, as has been spoken of here, or at meetings of dealers to fix local prices—

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either that way or as an association, was anything done in regard to this raise of \$6 mentioned in the first page of your statement?—A. I have never been at a meeting yet to fix the retail price list since last April.

Q. Was any action taken by your association, either individually or collectively, in regard to these embarrassing matters that are mentioned by you here, this raise of \$6 a thousand?—A. No, not that I am aware of.

Q. You did not do anything to relieve that embarrassment?—A. No, I am not aware of anything.

By Mr. Galliher:

Q. Each man tried to work out his own salvation?—A. Yes.

By Mr. Herron:

Q. Simply charged the consumers \$6 a thousand, and did not worry about the consumer?—A. We had to advance as the whole thing advanced.

Q. So the embarrassment was settled when you get the raise of price?—A. You must remember the kicks that would naturally come.

Q. They kick, but you raised the prices, you had to?—A. No, we have not.

Q. You said if it was raised by the manufacturers, you raised in proportion?—A. We had to.

Q. You claim there was a raise of \$6 a thousand by the manufacturers?—A. Yes.

Q. And then you advanced?—A. We naturally would.

By Mr. Galliher:

Q. When complaints were made as to excessive profits obtained by the dealers, were any measures taken to prevent it?—A. I think I did answer that. I stated that we could not control that situation.

Q. That does not answer the question whether any attempts were made to control it, and if so, what?—A. I do not think the association ever ventured to do that.

By Mr. Sloan:

Q. You said there was a contractor in your town named Steele. What year was that?—A. That would be six years ago, anyway, I think.

Q. About 1900?—A. Yes.

Q. Have you any idea where Mr. Steele was getting his lumber?—A. He got some of it from Mr. Creighton in Winnipeg, the commission man. He was selling both the American lumber and Coast stuff.

Q. Did you make any complaint to your association about Mr. Steele getting the lumber?—A. No.

Q. Made no complaint?—A. No.

Q. When you sell to contractors do you give them any discount over your list price?—A. There are no contractors in the town that I am in that contract and take the whole thing. They generally take a contract for the work and we supply the material.

Q. Do you give them any discount?—A. No. Usually it is sold to the consumer straight.

Q. Any contractor coming to you would not get a discount?—A. I do not think he would.

Q. It is said it is customary to give discount to contractors?—A. I daresay it is.

Q. You said in 1904, there was a slump in lumber. I want you to explain what you consider the cause of that slump. You said in your opinion it was the number of Mountain mills?—A. There was a great number of mills started in the Mountains and American stuff was coming in.

Q. Considering the fact that lumber had advanced some \$6 or \$7 according to your statement, why is it you do not buy lumber on the American side at the present

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time?—A. I understand that lumber is \$2 a thousand higher on the American side than it is on this side now.

Q. That is the reason you are not buying the American lumber?—A. I never did buy more than, I think, two cars of American lumber in my life.

Q. You are satisfied lumber is higher on the other side?—A. Yes, I was talking to a dealer from Larimore coming down on the train, and he stated that the prices were higher.

By the Chairman :

Q. You spoke of Mr. Cockburn. He has been the secretary-treasurer of your association for a great number of years?—A. Yes.

Q. Until a month or so ago?—A. Until the last annual meeting in February.

Q. That is last February?—A. Yes.

Q. You heard some of the other witnesses say, and of course you must have known the point has been brought out time and again, as to the restrictions in certain localities as to the number of yards, and you heard the witnesses say that if there were not over 60 cars of lumber sold there should not be more than one yard?—A. That is a kind of unwritten law. I do not think there was anything in our by-laws to that effect that I can remember of.

Q. Was there anything in the action of your association as to that?—A. I expect possibly there may have been. I did not understand that that was quite the figures. It was running in my mind that we used to have a kind of unwritten law that there should be 40.

Q. I am not particular as to the quantity, but your association attempt to control the number of yards that there should be at a certain point?—A. We did. We contended that any person who has been in the retail lumber business as long as I have—and there were a great many in the province of Manitoba that were in the poor-house—and that they considered that they were to steady the trade down and to get the thing into right shape, that those dealers who had suffered so much should have a chance to establish the trade on a proper basis.

Q. What I wanted to know from you was whether or not this association, as one of its acts, undertook to control the number of yards that should be at a certain point?—A. We did, but not now. That condition does not obtain now—at least, I do not think so. If I may be allowed to add a little to what I have stated before, we have put in yards where there was not more than ten cars of lumber sold at a point in a year, and where that dealer was not keeping sufficient stock to keep the community going, we have put in two yards at a point where there was not more than ten or twelve cars sold—we have allowed membership, I mean.

Q. As against one of your own members?—A. As against one of our own members.

Q. You did not consider him a good member?—A. Well, he was not keeping stock.

Q. I have some letters here which I will read to you. Here is a letter dated May 23, 1904, addressed to G. M. Yeomans, Alexander, and they are discussing a point on which he should start business. He says:—

‘Dear Sir,—On my return here I have your letter, and in reply I think it is doubtful whether Mr. Bury will open any business at that new siding of which you spoke; at least, I have been so informed.

‘Now, as to Alexander, I would recommend you to purchase Mr. Foreman’s business there if he is still inclined to sell. I knew at one time that he was so inclined. The business at that point is a limited one and only sufficient to maintain one good yard, and unless it is shown that Mr. Foreman neglects to keep an adequate stock, it would not be in keeping with our custom to grant a second yard there.’

Q. That is the point I have been trying to fix in mind, that if Mr. Foreman, who is a member of the association, had kept a good stock, then they would not have been inclined to give another yard?—A. I guess that is right.

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Q. Here is another letter to the same gentleman from Mr. Hanbury. Was he not a director of this association at the time—prominent man in the association?—
A. I do not think Mr. Hanbury was a director at the time I was there

Q. The letter reads :—

'I have your favour of the 2nd regarding a lumber yard, and would say that just as soon as you have fixed on your location and your application for membership to the Retail Lumbermen's Association is accepted, I should be very pleased to give you our lowest possible prices on all of the material you handle, and think we can get you right in on the ground floor, especially in the sash and door business. When you were here before you mentioned opening up at the siding between Griswold and Alexander, and there should be no trouble in getting your application for that point accepted.'

That indicates the same thing, that there might be trouble with regard to other points, but there would be no trouble as to his siding?—A. You will get that from Mr. Cockburn.

Q. You have heard Mr. Heaps here in this matter, and he gives some very interesting information with regard to this same subject, addressed to the same person. His letter reads as follows:—

EXHIBIT No. 83.

VANCOUVER, B.C., August 8, 1904.

GEO. H. YEOMANS, Esq.,
Alexander, Man.

DEAR SIR,—Will you kindly advise us what progress you are making towards securing your siding at Ashbury. We would also be glad if you would advise us as to what success you have had in obtaining membership in the Western Retail Lumbermen's Association.

Mr. Foreman, of Alexander, has lodged a complaint against us with the secretary of the association in connection with the two cars we have shipped you. We have written the secretary, explaining that the material is destined for Ashbury, and that it is not your intention to sell it at Alexander. Further, that the only reason for billing it to Alexander is that you have not yet secured your siding at Ashbury. We would be glad if you would explain this matter to Mr. Foreman, and also write Mr. Cockburn a letter explaining the matter.

Yours truly,

(Sgd.) E. H. HEAPS & CO.
J. W. H.

Here is another letter from Mr. Heaps to Geo. M. Yeomans, Alexander:—

DEAR SIR,—We have to thank you for your favour of the 21st inst. We are afraid that the Retail Lumbermen's Association would still make it too hot for us if we sold to you. Unless, therefore, you become a member of the Retail Association we are afraid we will be unable to sell to you at present, much as we would like to do so. We hope we will be able to get together a little later on, however.

Yours truly,

(Sgd.) E. W. HEAPS & CO.

Here is another letter to the same gentleman, October 5, 1905:—

'DEAR SIR,—We have your favour of the 26th ult. In reply, beg to say that we duly received your previous correspondence. In explanation of our tardy acknowledgment of same, we would say that the Western Retail Lumbermen's Association has not been cutting much figure latterly. Mr. Cockburn did not take any further steps towards making us pay his assessment on the cars?—

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Did you have an assessment on cars that were shipped to non-members? Do you know anything about that?—A. I do not remember anything about that.

Q. 'On the cars shipped to you, and as he dropped the matter we also dropped it.' Here is another in regard to the same matter. I need not read it. Then a further letter of May 5, 1904, to Mr. Yeomans, as follows:—

'DEAR SIR,—Your favour of the 30th ult. has just been received, and we are very pleased to hear from you. We regret to hear of the difficulty you have had to secure membership in the Western Retail Lumbermen's Association, but are inclined to think that you will get the membership in the end.'

All that correspondence goes to show the point Mr. Herron has raised in connection with his motion, that there was a pretty strong combine of which Mr. Heaps knew nothing of at the time, but of which evidently he has known something subsequently?—A. You wish to get all the information you could about the lumber situation in reference to that two weeks that I put up there, and I might say that I covered pretty nearly 250 miles, and I was at a majority of those points, and there is quite a large number of them, and with the exception of Lloydminster, Saskatoon, Humboldt and Battleford, and possibly one or two other points, the majority of those points along that line did not have anything like a sufficient supply of lumber, and I am satisfied that the high prices that were obtained at some of those points were caused by the people who had capital, and they were able to get their lumber, and they were pooling trade from 60 to 100 miles away, while these other points were not being supplied—those small places.

By Mr. Schaffner:

Q. How far west were you?—A. Lloydminster.

By Mr. Lancaster:

Q. Have you any suggestion you can make as to anything you can recommend to the House to decrease the cost of the consumer?—A. No. I think that thing will resolve itself into a regular steady business by itself, because if this money is to be made up there, there will certainly be capital come in there, especially if there is supply enough to relieve the situation, and the consumer will get his lumber at a fair price. I think that is the only thing that will do it.

Q. Competition, you mean?—A. Yes.

By Mr. Herron:

Q. There will be no competition if you go into a combination?—A. There is no combination.

By Mr. Lancaster:

Q. You mean competition other than in the association? You mean competition by people outside of the Retail Association?—A. Any person can buy lumber. You have had evidence here. These conditions have changed materially.

By Mr. Schaffner:

Q. Since when?—A. The last two years. The supply was short and the demand was great.

ALFRED EDWARD WATTS sworn.

By Mr. Lancaster:

Q. Where do you live?—A. Wattsburg, British Columbia.

Q. What is your full name?—A. Alfred Edward Watts. Before you commence asking me questions, I should like to point out that when you caused some reflection

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to be cast upon the evidence of Mr. Heaps by putting answers into the mouth of a witness—that is to say, Mr. Lewis—

By Mr. McIntyre (Strathcona):

Q. You do not think he got a fair examination?—A. No, he did not. Of course I admit that Mr. Lancaster acted fairly well—that is as a solicitor—

Mr. LANCASTER.—I do not care a rap what you think about what I did. If you want to make a statement do so, but do not waste time. Just make your statement.

The CHAIRMAN.—You are not called here to vindicate or give excuse for any one.—A. You decline to take it.

The CHAIRMAN.—We decline to take explanation in reference to other witnesses.—A. Oh, very well. I will file it as an exhibit. The question is whether you wish me to make a similar statement with regard to the reasons why I took steps as I did to re-organize or to organize a new association, or whether you wish me to go straight into figures right away.

By Mr. Lancaster :

Q. I desire to be courteous to you, and I am willing to agree to your statement as to the matters to be investigated here. If you wish me to ask you questions, I shall do so, but I want you to make a statement as to the increased cost of lumber?—A. Would it interest you to know the reasons that prompted us to act in the matter we did in organizing an association?

Mr. GALLIHER.—I think that would be part of the reasons for the association. I think that is a fair enough statement.—A. Well, on August 2, 1905, I attended a meeting of lumbermen in Calgary, mind you not an association meeting, just a meeting of all the lumbermen we could get together.

By Mr. Sloan :

Q. Retail dealers?—A. No, manufacturers. That was August 2, 1905.

Q. Were there no manufacturers before?—A. There was, but it was deemed to be of no use whatever. It was practically dead.

Q. Explain what points these dealers came from? Were they all from the mountains or the coast, west, or were they from Rat Portage or the north country?—A. They were principally from the interior of British Columbia, the mountain men as they are commonly called. It was generally reported that we met there to raise prices, but we did not. We just raised Cain and quit.

Q. I suppose you did it again when you got able?—A. Yes. Certainly I will tell you the whole business if you want to know it. I won't hide anything.

By Mr. Lancaster :

Q. How big a log would a cane be?—A. You are not well posted on scripture.

Q. I want to get posted on lumber?—A. You want to know why did we meet? It was for the purpose of forming a selling agency, which had the name of the Interior Lumber Company. That was the title of it.

By Mr. McIntyre :

Q. Retail agency?—A. No.

Q. Jobber?—A. No. To handle the product of the mill of those who chose to attend.

Q. A wholesale establishment?—A. Yes. However, that fell through.

By Mr. Lancaster :

Q. That is the object of your association meeting?—A. No, this was not an association meeting.

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Q. You attended a meeting for the purpose of forming a selling agency and to handle the products of the mill?—A. To handle the products of the mills wishing to join. We could not make it go, and so we dissolved. Early in September, 1905, I appeared before the Tariff Commissioners, to give evidence in support of our application for a duty to be placed upon lumber. I daresay Mr. Galliher will remember some things I said at the time. I said that there were not long since 62 mills in operation in the interior of British Columbia, and that at that time only 42 remained, and out of 42 not more than two could pay dividends, unless they borrowed the money for the purpose, and I say that those conditions prevail just the same to-day in spite of the great raise in prices, owing to the increased cost of production. Well, I further stated—although that may not interest you—that the government dare not put a duty on lumber anyway, and later on, at a reception held by Mr. Fielding, Mr. Paterson and Senator Templeman, Mr. Fielding said to me, ‘So you are the man who told us we dare not put a duty on lumber.’ I said, ‘Yes.’ Well he says, ‘Why’? Well, I explained the peculiar exigencies of the political situation. I do not know whether you want to know what they were.

Q. If you would tell us what that had to do with the formation of the association—A. It had all to do with it. If you will have patience. You have tired the patience of other fellows, have a little with me.

Q. If you do not want to be here for the Easter vacation, I would advise you to get down to facts. You have given us the cause and said you dissolved. What did you do?—A. I am trying to show you what impelled me to take it in my own hand, and try and reorganize the old association, or form a new one, and the reason was, we knew the government would not listen to us in any shape or form; we applied to them and sent deputations to them time and again, and every time we were turned down. Now, I am coming to a reason. You will see by and by that the reason is apparent. The reason was this; that we could hope for no assistance from the government for the protection of one of the biggest industries in the country, and the only one which is not protected. We asked the government to do it. We knew they could not do it. Well, we say they could not, but they could if they liked, and that is what I was about to say. Mr. Fielding said, ‘Why do you make that statement’? ‘Well,’ I said, ‘You conduct your political business on business principles, I presume. Therefore, you would not give about thirty votes for about seven which we could send, still at the same time you are strong enough in the House to carry that, if you wished to do what is right,’ and Mr. Paterson spoke up and said, ‘Mr. Watts, we are strong enough to do what is right and just,’ and I said, ‘that settles it, we will have the duty.’ Then Mr. Fielding said, ‘All you millmen are not in favour of the tariff.’ I said, ‘I think you make a mistake there.’

Q. Was this at the association meeting you had this discussion?—A. I am showing you what incited us to work hard when the government would not help us.

Q. I want to know what you did about this. Get to the meeting, and let us know what you did there?—A. Very well, we will pass over that. It will be published, so that it will have the same effect. Well, then, as I could see there was no hope of obtaining any assistance from the government that night, I called a meeting by wire of all the lumbermen I could reach, mind you, not as a member of any association, because I have never acted as a member of the association. I took it upon myself to do this, and I was called down by the secretary and the president of the association for so doing. The biggest meeting of lumbermen ever held was called and held at Revelstoke, and that meeting was held under my direction.

By Mr. Schaffner :

Q. When was that?—A. September 26 and 27, 1905, and to prove what I say—that is, that the old association had nothing to do with it at that meeting—I asked Mr. Avery, who is M.P. for Frontenac, to take the chair, which he did, and an attempt was made to form a selling agency, which fell through, as it did at Calgary. At the following meeting the association was formed or re-organized. Now, there is another

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question I should like to explain. You were worrying, Mr. Wells, with regard to old by-laws of which he knew nothing, absolutely nothing; neither do I, and care less. Those by-laws I never saw until they arrived here in Ottawa, and Mr. Wells had never read them before, and no member of the association, I do not suppose, had ever taken the trouble to look at them. The reason I mention this, is that at this meeting there were no by-laws adopted nor anything else done with regard to making the constitution. We just went any old way, and all our object was to pull the millmen together so as to stop the incessant cutting of each other's throats, which was going on all the time. Now, you have had evidence to prove that at that time the lumber trade was in a frightful state, and something had to be done, because nine out of ten of the millmen were on the verge of bankruptcy. Well, now we will come down to figures, with your permission.

Q. Did you form an association at that meeting?—A. Well, sir, you might call it an association, but it appears from the minute book—I might explain this to you—

Q. Did you form an association or not?—A. Well, you can scarcely call it the forming of an association.

Q. Did you take steps to form one?—A. It was not really what you called formed or organized.

Q. Did you appoint a committee?—A. We appointed a committee. If you will turn to the old minute book, you will see what was done. You will see on page 89, at the meeting at Revelstoke, that orders were given for affidavits to be drawn up for the members to sign. You will remember that Mr. Wells—I put the question through you to Mr. Wells—whether that affidavit was ever signed. As a matter of fact, the affidavits were never drawn up.

Q. The minutes show they were?—A. No, it is a different association.

Q. I was asking Mr. Wells about a different association?—A. That is the Mountain Lumber Manufacturing Association. We never signed any affidavits. In fact, the affidavits were never drawn up, so that you see there was nothing done definitely except that the old president acted. He took the chair after Mr. Avery—

Q. You appointed a committee?—A. Yes.

Q. What for?—A. To draw up the affidavits and agreements and all that kind of thing, but they were never completed. I think I was on that committee.

Q. Did you have any president?—A. Well, we got Mr. Jones, the old president, to take the chair after Mr. Avery came up.

Q. Did you take the old officers as the officers of the new association?—A. Yes.

Q. Did they form part of this committee?—A. No, I was on the committee, as the minutes show.

Q. Was there an executive committee besides the officials?—A. I do not remember that, but the minute books will show.

Q. Did you ever form an association?—A. No, we seemed to meet from time to time.

Q. Did the committee draw up by-laws and constitution?—A. No, we were supposed to do it, but did not do it. When lumbermen meet they are always in a hurry to get away, and these things were done in a careless way.

Q. They were supposed to draw up by-laws and constitution?—A. Yes; I was supposed to see that the affidavits were drawn.

Q. They were supposed to draw the by-laws, but did not draw them?—A. No. If you look through the minute book you will see these things were never mentioned until they were rescinded.

Q. After that how often did you meet?—A. The minutes show that. I do not remember.

Q. Once or twice a year?—A. Four or five times every year; but I could not say for certain as to the exact number of times.

Q. Did you retain the old name?—A. Yes.

Q. And you retained the old officers as officials?—A. Yes.

Q. Were you not working then under the old constitution?—A. No, we were not.

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Q. Did you rescind the old by-laws?—A. At a meeting I was at last January we rescinded it.

Q. It was not rescinded until last January?—A. We never worked under it.

Q. You did not rescind it formally until last January?—A. Yes; but you understand they were never adopted. I pointed out to them that they need not rescind it.

Q. But they did?—A. Yes. It is only a matter of chopping words, because we never used them. In every court of law when a question is answered, I claim the right to make an explanation, and if you won't give me that right I won't give another answer.

The CHAIRMAN —We do not want irrelevant matter.

The WITNESS.—You were asking me about the organization of another association.

By Mr. Lancaster:

Q. Do you object to answer at all?—A. I do not object at all, if you will let me qualify those answers.

Q. If you will do so, and not add to it a lot of irrelevant matter. You retain the old name and officers?—A. Yes.

Q. You never rescinded the constitution until last January, 1907, but you claim you did not act under the old constitution?—A. Exactly.

Q. But the fact is that you did rescind it last January?—A. Yes, that is the fact; but at the same time please take this: at the same time these by-laws were never used. Most of the members, in fact I may say the majority of the members, never knew of the existence of such by-laws, or of the character of them.

By the Chairman:

Q. How do you know that?—A. Because they told me so. Peter Lund told me he never saw the blamed things or read them.

By Mr. Herron:

Q. What was the guide for the association?—A. We just went any old way. It was a go-as-you-please institution.

By Mr. Lancaster:

Q. Did you from time to time in 1906 raise prices of lumber?—A. Certainly.

Q. What was your first raise in 1906?—A. I can give you the raise for the last twelve years. I have that worked out.

Q. Have you it for 1905 and 1906?—A. I have not worked it separately.

Q. Did you suppose the committee was going to limit itself to twelve months back?—A. Yes. I will tell you why—

Q. You came here only understanding we would go back twelve months?—A. I understood you would only go back so far as the price lists were given. When the price lists 9 and 10 were issued nobody paid any attention to them.

Q. How can we tell what 9 and 10 is if you cannot tell us the date?—A. No. 10 was issued in September, 1905, but that was never—

Q. Price list September, 1905, was No. 10. When was that price list issued? At a meeting of your association?—A. It was made then at that Revelstoke meeting to which I have referred.

By Mr. McIntyre (Strathcona):

Q. That was the first one you issued?—A. Yes.

Q. How did you get the prices?—A. We took them up from the old list.

Q. Up to No. 9 had been under the old list?—A. Yes, No. 10 was issued under the reorganized association.

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By Mr. Lancaster:

Q. That was the first one under the new association?—A. Yes; but that list was never effective.

Q. Was there a meeting called to fix it?—A. No, not specially called for that purpose.

Q. Was it done at a meeting of the association?—A. It was done at this meeting I am referring to at Revelstoke.

Q. The millowners and members of the association were there to fix that price list?—A. No, not for that purpose.

Q. Among other things?—A. Amongst other things, yes.

Q. And they did fix it?—A. They did fix it.

Q. What was the next advance from No. 10? How much was No. 11 advanced over No. 10 on ordinary stuff?—A. We can take these dimensions: Pincher Creek, \$10 to Pincher Creek, 2 by 2, 6 by 10, No. 12—

By Mr. McIntyre (Strathcona):

Q. You are confusing the question. What was No. 11 over No. 10?—A. Yes, I see I was confusing it.

By Mr. Lancaster:

Q. What was the advance in No. 11 over No. 10?—A. Well, I have not got No. 10 here I guess. I have all but No. 10.

Q. Take the common stuff, No. 10 and No. 11?—A. I have not No. 10 here.

Q. Do you remember how much you advanced 11 over 10?—A. The list was handled right away through from the beginning to the end. I can tell you the way you can get at it, there it is in detail.

Q. Are you willing to be bound by the minute book?—A. Decidedly, and you can compare it with No. 11.

Q. What would you say it was?—A. I would not say, because you catch fellows like that, and you will not catch me.

Q. You will go by the minute book on that. The minute book might catch you?—A. No, but if you can catch me I will forgive you.

Q. When was No. 11 fixed?—A. February 28, 1906.

Q. And No. 11 over No. 12?—A. May 8, 1906.

Q. How much advance over No. 11?—A. Take Pincher Creek or any others, take a thirty-three cent rate point, that applies to a big country. Take 2 by 4 fourteen, sixteen feet, there it is \$21.50, and in 23 column, 2 by 4, twelve to sixteen, in 23 column, \$20.50—one dollar difference.

Q. How much No. 13 over No. 12?—A. Take the same class of stuff from the 23 column, 2 by 4, twelve feet, \$22.50.

Q. What date?—A. August 8, 1906. Here is the No. 12 list, 2 by 4, 12 to 14, \$22.50.

Q. What was No. 14 over No. 13, September 28, 1906?—A. Two by four, &c., under 23 column, \$23.50. Under 23 column here \$22.50. You are taking one class of goods.

Q. That is the common stuff?—A. Yes, but we do not raise the price of all the same.

Q. What was No. 15 over 14, and the date of it?—A. January 6, 1907—that is the last one—it is \$24.

Q. That is on common stuff. Now give us on the higher grade, what your advances were. Take flooring?—A. Taking the thirty-three cent rate point.

Q. We want No. 11 over No. 10?—A. No. 11, you can go to the minute book, as you see, four or six-inch, No. 1, in the No. 11, to thirty-three cent rate points is \$30.

Q. No. 12?—A. \$32.

Q. No. 13?—A. \$33.

Q. No. 14?—A. \$33.

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Q. No. 15?—A. \$33.

By Mr. Herron:

Q. Take the ceiling?—A. You would only waste time going into that, because it would be practically the same as the flooring.

Q. Taking the common grades, were the raises about the same?—A. Taking the first line there, No. 11, last finishing \$45. It is \$45 in 15—\$20 less than the Americans get for it. I have prepared for you gentlemen this statement which I refer to as being correct. (Exhibit 84.)

Q. I would like to compare that siding and see how it stands. Is siding in the same proportion of advance as the other articles you have mentioned?—A. No. 1, six-inch, thirty-three cent rate point, \$30, No. 11, No. 2, \$26, No. 3, \$22.

Q. Give us the proportion of your advances?—A. Thirty dollars No. 1. That is the present price to thirty-three cent rate points, No. 2 \$33, \$30 and \$24, and there is a \$2 raise in No. 3.

Q. What is the wood?—A. The fir, pine, spruce, larch or hemlock.

Q. What is the proportion of the increase in cedar?—A. I cannot answer that, because we have very little cedar, and that is dealt with on the Coast prices. It is an inferior quality. We have a cedar price here, but I am not conversant with it. I can go through it, if you would like to know it.

Q. It is a good deal in advance of the other?—A. I have never paid any attention to it, but I could tell it in a minute if you choose.

Q. While we are on that point, did you make a note of the cedar?—A. I may say in giving the upper grades, that I gave you clear pine, of which there is very, very little in the Mountains. I should have given you for upper grades that of which we have the greatest quantity, that is larch, and the price of that to-day is \$34 as against \$45 for pine. Consequently very, very few people are getting pine from us, but a very great proportion of larch, which is \$34, as against \$45 for the pine.

By Mr. Lancaster:

Q. This statement, exhibit 84, is a list of sales?—A. No, I will explain it to you. A great many questions have been asked of different witnesses as to the weights, and the net prices obtained by the millman for his product. I took the trouble to go through one year and take extracts from the invoices which will give you some idea as to the weights, and therefore you will see what it costs. Take the first one, the Okotoys and High River Lumber Co., February 24, 1906, there you have 25,361 feet, for which the gross amount of the invoices is \$421.87. The weight of that lumber was 62,200 pounds, and the freight \$105.74, giving \$316.13 net for that car. Divide that up and you will find it produced an average to the millman of \$12.40.

By Mr. Sloan:

Q. What rate would that be?—A. It is given there, is it not?

Q. No.—A. I told them to do it in all cases. It is about sixteen and one-half cents. Of course there may be some little clerical error in working those figures out, but I told them to be as careful as possible.

Q. What does that statement show?—A. The weights per thousand feet for the lumber, because statements have differed so much on this account, and it also shows you what net price the lumbermen returns for that lumber, and it describes the class of lumber. You will see that that weighed 2,500 pounds.

By Mr. Galliher:

Q. Are these taken from invoices of shipments from your own mill?—A. Yes.

By the Chairman:

Q. And you give the names of the parties shipped to?—A. Yes, and I did it so that you could see the prices these men are getting the lumber at. Most of them think

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it cost so much, and they think they get so much for it, now I am bringing you the actual figures.

By Mr. Galliher:

Q. And is the freight paid by the millmen or the man who receives it?—A. In cases where there is no agent we prepay the freight, and draw on them at sight, but it is a delivered price.

Q. In all cases the top line of figures really represents what it costs the retail men?—A. Yes, delivered at destination.

Q. You have not struck the average of what it cost them. You have struck the average of what you get for it?—A. No, there is what it cost them, \$17 per thousand in each case on the top line—2 by 4, 10 to 20 feet, \$17.

By Mr. Lancaster:

Q. Take the third item, there are three prices, \$16, \$17 and \$18.—A. Yes, I will tell you the reason of that. It is because they are timbers of different sizes, and if you will look at the price list you will see the price list varies, and it would have made such a great amount of work to have made out all these items. You see they weigh 3,000 pounds, the second one there; there is Mohler. There is another case. Look at that. I have not received the money for that yet. That shows you what we have to put up with.

Q. What was the cause of the raise in prices?—A. Well, the prime cause was we were not getting sufficient money to pay what most of the millmen owed, that is to say, most of them were losing money. I knew that, and I worked as you may say, *pro bono publico*, more than anything else in this matter.

Q. The prime cause was that the mills were losing money?—A. Yes.

Q. What was the secondary cause?—A. The secondary cause was that we could see the demand was sufficiently large to warrant the raising of prices; otherwise we could not have raised them. If the demand had kept down it would have been an utter impossibility to have raised the prices.

By Mr. McIntyre (Strathcona):

Q. What would have been the inevitable result if you had been unable to raise the prices?—A. Most of the mills would have gone to the wall.

By Mr. Schaffner:

Q. I suppose there is an increase in the cost of production?—A. Yes, that is later on. The increased cost of production was not felt as much at the end of 1905 as it was later. The greater increase in the cost of production has been more recent than that.

By Mr. Lancaster:

Q. Did your members meet on these occasions, when these prices were raised?—A. Well, sometimes there would be a little meeting, very small meeting, and other times there would be a big meeting, but whatever the few did the rest of the fellows were agreeable to. There was no written agreement of that kind.

Q. What was done after you fixed the prices at these meetings? Was there a circular sent out to the men?—A. The secretary would just say that we had decided at this meeting that owing to the increased cost of logging, and the increased cost of commodities of all kinds that it was imperative to raise the price of lumber.

Q. To whom would he say it?—A. He has said something of that kind in his circular, and you will notice that I have moved in the minute book and added a rider to that effect, and raised the prices.

Q. He would send a circular to all the lumbermen announcing the raise in prices?—A. Yes, and he would at the same time send a copy of the resolution. You will see a copy of the resolution there; and I may say, while I am on that subject, that the

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president of the association, Mr. Lund has time and again objected to raises being made on the ground that we should approach these matters and deal with them from the point of justice and equity, and I have often asked how much justice and equity did we get when they had us up a plum tree? Not one little bit.

Q. But when they had you up the pine tree—what about your pine stuff? Was there any desire there among the association to try and find more timber in an easier way, to get it logged more easily, and more cheaply, did that ever come up before your association meetings, to get at these expenses?—A. I do not quite gather your meaning.

By the Chairman:

Q. By improved methods of handling to reduce the cost of production? A. Yes, we were always very anxious to do that, and I may say that the members met and talking over matters of that kind often did a lot of good, because one would tell of an improvement that he had, and another one would refer to an improvement that he had, and the others could adopt it, and so it would be useful. In other words the association is very useful at the present time, both to the consumer and retailer. It is very useful from this point of view; that if a man is in a hurry for a car load of lumber, our secretary has in his office a statement from us from time to time, showing what stock we have on hand, and when a consumer is in a hurry, he just sends to that customer an order and whilst the secretary knows where to plant it at once, I have known cases myself where he has wired me, can you ship an order of so-and-so at once? We begin to load that in at once and it has gone out the next day. Now that is of great use to the retail man and the consumer, and in a hundred and one other ways the association is useful.

The committee rose.

WEDNESDAY, March 27, 1907.

The committee met at four p.m., Mr. Greenway, chairman, presiding.

The examination of Mr. Watts resumed.

By Mr. Lancaster:

Q. You were telling us when we rose at one o'clock that the secretary keeps track of different stocks?—A. Yes, sir.

Q. The secretary of your association?—A. Yes, sir.

Q. With a view to placing the orders where they can be filled?—A. Yes, sir, quickly, yes.

Q. In what cases?—A. We are all invited to make a return of our invoices for statistical purposes, but it is not generally done.

Q. You are invited to do so?—A. Yes, but it is not generally done.

Q. What sort of invitation is it? Who do you get the invitation from?—A. From the secretary. It was his own suggestion, and a good one too.

Q. So that you could all inspect each others invoices?—A. Oh, dear no.

Q. What for then?—A. So that he may see the invoices for the purpose of compiling statistics. For instance, at the present time, we know how much stock there is on hand in the interior. There are about sixty millions on hand now, and we have orders for above that amount. We can see the state of the market by asking him. If we write him and ask 'What is the state of the market now' why he will reply and tell us.

By Mr. McIntyre (Strathcona):

Q. Do you say that it is not customary or that it is not compulsory?—A. It is not compulsory.

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Q. It is not compulsory that the invoices of the mills should be sent to your secretary?—A. Oh, no, sir, it is not compulsory at all.

Q. My point is that Mr. Heaps, your secretary——?—A. No, Wells it is.

Q. Mr. Wells, I mean. Mr. Wells is your secretary?—A. Yes.

Q. Now the other witnesses told us, I believe, that it was customary to send the invoices——?—A. Well, it is desired.

Q. Of every company that was in the association?—A. Yes, but they did not do it.

Q. For inspection by Mr. Wells?—A. Exactly, but they don't do it. That is the trouble of it.

Q. And what is more, that the object of sending those invoices was for the purpose of seeing that no one lowered the price?—A. Of course that is one object, I admit that that is one object.

Q. It is quite a necessary object?—A. It is one object.

Q. I am not condemning it?—A. But, as I say, it is not done. We tried to get it done. For instance, I sent mine in, and some of the others sent theirs in, but the great number did not do it.

Q. I want to say that one of the lumber manufacturers in speaking to me afterwards said, one of the defects in his evidence was that he omitted to tell the committee that the manufacturers submitted these things?—A. That every millman did?

Q. That every millman submitted these things for inspection?—A. He hoped that it would be done; there is no doubt about that.

Q. Do you know of any resolution to that effect?—A. There was no resolution ever entered upon the books. It was a suggestion of the secretary's.

Q. Simply a suggestion?—A. I don't remember, I would not like to say for sure that any resolution was ever passed. There may have been, but at the same time whether there was or not it is not adhered to.

Q. It is not adhered to?—A. Oh, no; many mills won't take the trouble to do it. We had a great discussion about it, and one millman said 'Oh, no, it is too much trouble.' That he had not the clerical staff to strike off copies, and so on. Of course most of us use the typewriter, and strike off triplicates. We send one to the consumer, keep one ourselves, and send one to the association. Some of the lumbermen that you took evidence from do it. For instance, Mr. Lund, and Mr. Ludgate, I understand. I could not swear to it, but I understand they do it. You will understand too that we don't see those invoices.

Q. That is not my point at all. It is understood that the invoices were to be sent in to the secretary?—A. Yes.

Q. And they were subject to his inspection?—A. Yes, certainly.

Q. And he, in his own case, could question as to the correctness of the price list?—A. Exactly, yes. That is very useful in many respects, because sometimes they would make errors in their invoices, and the secretary checked them over to see that they are correct.

Q. Are there many mills do this?—A. I could not state the number, the majority of them I believe do it.

Q. The majority in the association?—A. Yes, I believe so.

Q. If you say that is the only method of securing information as to the amount of lumber cut, your statistics must necessarily very often be inaccurate?—A. Not at all.

Q. Why not?—A. Because the members, when the card is sent to them to fill in as to how much lumber they have on hand, it is an easy matter to do that, to take a pencil and fill it up in a few minutes.

By Mr. Herron:

Q. Who do you sell the cut of your mills to, generally speaking?—A. Well, I am sorry to say we sell them to other millmen who own a big line of yards at the present time principally.

Q. What percentage of your cut do you sell to the other millmen?—A. I could

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not speak as to that; I did not work it out. If you want to know it, I can get it for you.

Q. Would it be half of your cut?—A. I think rather more than half.

Q. You get the association price for the lumber you turn over to them?—A. To these people?

Q. Yes?—A. Well, in some cases. You remember that the witness Becker when he was on the stand said he bought at a lower price than the regular price. Well, I have myself sold some to him at a lower price than the list price, and I wanted Becker to say that, but he was too confused to say anything.

By Mr. McIntyre (Strathcona):

Q. Why did you want him to say that?—A. I wanted to show that all of us do not stick to the higher price, to the rule as to prices, and that we are not obliged to do so; there is nothing to force us.

Q. Are you not in honour bound to do so?—A. No, because it is generally understood this way; if a person is overstocked in any line he applies to the secretary to shift it and if he cannot shift it, then we are at liberty to slaughter the market with it. That is an understanding.

By Mr. Herron:

Q. The large millowners who buy your product could not afford to pay you the standard price, the price that is fixed by your association, as they have to handle the lumber and turn it over themselves?—A. Understand me, that is not general; that is only done once now and then.

By Mr. McIntyre (Strathcona):

Q. Do you mean the millowners or yard owners?—A. The millowners who are also yardowners.

Q. Do you sell to contractors?—A. No, I have done so, but not very often.

Q. Did you sell below the ordinary price charged the retailer, when you sold to contractors?—A. No; if we do supply contractors we reckon upon getting a little more.

Q. How about railway contractors?—A. We are at liberty to supply them at any price.

Q. At any price?—A. Yes.

Q. And elevators?—A. All those that are specified at the end of the price list; railway companies, mining companies, Dominion or provincial governments, and the local or foreign trade. All those are exempt.

Q. Do you refuse to sell to any independent yards?—A. Oh, dear no.

Q. How do you know as to them?—A. We don't take the trouble to inquire as long as they are rated all right.

Q. Do you sell to consumers?—A. No, we do not for the simple reason, if we did the retailers in that district would simply boycott us.

Q. How are you to know a consumer from an independent dealer?—A. How do we know?

Q. Yes.—A. Why his letter head or memo. form would give you that. And then another thing you see, we use Dun's and Bradstreet's and we turn it up.

Q. But supposing a man is going into the lumber business, what is your method of procedure?—A. If he is not rated we ask him to show his bona fides as to his financial position.

Q. Do you get your information from the Retailer's Association?—A. Oh, no.

Q. Not at all?—A. We don't trust to them for that. We trust to Bradstreet's, to Dun's, or the bank.

Q. I mean as to his position as a dealer?—A. No, we don't take any notice of that. Of course I am speaking for myself alone.

Q. I know that is all you can speak for probably. You simply take a man's word as to whether he is a dealer or intends to be a dealer?—A. Oh, yes, but of course we make inquiries.

Q. From whom?—A. From Dun's, Bradstreet's, or the bank.

By Mr. Herron:

Q. A man in private life is not rated at all?—A. Exactly; and in that case I would not supply him.

Q. You would not supply him?—A. Certainly not.

Q. If he is there in the lumber business?—A. If he would go to the bank and explain his position and the bank says he is all right, we will supply right away.

By Mr. McIntyre (Strathcona):

Q. A man cannot start then without a long line of credit at the bank?—A. Well, most of the retailers have very little credit, they do their business principally on gall.

Q. Well, supposing he went just on gall?—A. If he has gall enough he can get into the lumber business pretty easy.

Q. The bank will take gall as collateral security, will it?—A. In some cases they have done, and we have had to take the same payment.

By Mr. Lancaster:

Q. Do they pay you in gall?—A. Yes, I have just pointed one out to the Chairman who has had two carloads on gall as payment.

By Mr. McIntyre (Strathcona):

Q. But apart from this system of gall, he goes to the bank with very little credit or funds?—A. Supposing he has got \$1,000, he can start a yard, because we renew and renew his paper so long as he is pretty fairly rated.

Q. Supposing a wealthy farmer in Saskatchewan sends you in an order and asks you to draw at sight, what are you going to do?—A. Well, that would be bad business, because if we filled that order we are just simply cutting the throat of the ordinary retailer if we do that; we cannot run a wholesale and retail business.

Q. But suppose he represents he is going to start a yard?—A. Oh, that is a different thing; then he can get the lumber.

Q. In the case of a man reporting that he is going to start a yard and asking you to draw at sight, would you supply him with lumber?—A. Why, we would as leave supply that man as any other man if he has the funds.

Q. Even if he is not in the retail business?—A. Oh, no, no, don't put that evidence into my mouth.

Q. He is not in the retail business until he starts?—A. But if he is going to commence.

Q. But you must remember that what we are trying to get at is how can a man commence in the retail business?—A. Take it personally, suppose you want to commence.

Q. Yes?—A. You come to me and want to open a retail yard. I say, 'All right, give me a statement of your financial affairs,' and you then probably would go to the bank and ask them to verify your statement. If the bank verifies your statement of your financial affairs, that is good enough.

Q. If I am worth \$1,000?—A. Yes, if you have got \$1,000 I would not object to shipping a car of lumber.

Q. Just one car?—A. It would not be safe to ship a man very many on \$1,000 capital, but many men have started on that and made money too.

Q. And you work on that basis without any further inquiry?—A. Well, we have to watch them.

Q. Do you know of any yards commencing on that basis?—A. In Bradstreet reports or Dun's you can see how they are.

Q. Do you know of any people in the lumber business who have commenced in the manner stated?—A. Yes.

Q. Numbers of them?—A. I would not say numbers.

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Q. Do you know of a specific instance?—A. I would not give the names of the parties. I will hand one over, the Chairman knows right now.

Q. Do you know a specific instance?—A. Yes.

Q. Where a man has commenced in that way?—A. With about \$1,000.

Q. Do you think any number of men could commence in that way?—A. Any number of men.

Q. Under similar circumstances?—A. In a small way.

Q. You make no inquiry as to the number of yards?—A. No, we don't care about them.

Q. Nor how many yards?—A. Not a rap; the more the better.

Q. You don't take any account of how many yards there are in one town?—A. No. As long as we feel sure we are going to get the money, it makes no difference to us.

By Mr. Herron:

Q. You stated you could name specific cases of men who had commenced business in the way stated. Supposing there were a dozen applicants from a dozen little towns on the prairie applying to you for lumber to-day, saying they were going to start yards, would you sell to them without making inquiry whether they were members of the association or not?—A. As I said before, I don't care myself, and many others don't care, whether they are members of any association or not.

Q. Are you not bound to live up to the rules of your association just for that very purpose?—A. No, sir, we are not.

Q. Are there no records here?—A. There are records. There are old by-laws, and they are very horrible looking things too.

Q. They have been in existence a long time?—A. But we have never used them since I have been a member of the association, and I did not know of their existence.

By Mr. McIntyre (Strathcona):

Q. Do you mean to say you entered an association the objects of which you did not know?—A. The objects I did know, because I was one of the chief ones in organizing it.

Q. My dear sir, you said the old association was perpetuated with these things in it?—A. I did not say the old association.

Q. But you say the old officers remain?—A. Yes, but the old association and its principles were not perpetuated.

Q. Do you not say the same name was retained?—A. The name was retained.

Q. Do you not say you had the old form of an executive committee in addition to the other offices?—A. Exactly.

Q. And that was the method of your association which you claimed the parentage of?—A. That is the association we are now using, which is distinct from the old one.

Q. You claimed to be the founder of this old association?—A. Not the founder; I was one of the chief organizers.

Q. It would not have been in existence but for you?—A. I don't say that; it might have been.

Q. It might have been?—A. Certainly.

Q. You are perpetuating the association under the same name?—A. Just so. You may buy an old business and still trade under that name. You might own it and still continue under the same name.

Q. If I am taking over a grocery business, I am supposed to be conducting that business. In this case your objects and your aims are outlined in the by-laws. Is that not the fundamental basis you go on—the object of your association?—A. No.

Q. The by-laws had nothing to do with it then?—A. Not in the slightest degree, I am positive.

By Mr. Lancaster:

Q. Why did you rescind them last January?—A. That was a most foolish thing.

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Q. Are you sure it is not foolish to say that you did not act upon them up to the time they were rescinded last January?—A. I beg your pardon. They were in existence; that does not necessarily say they were in force.

By Mr. McIntyre (Strathcona):

Q. Is that not the fundamental basis of the association?—A. Not the present association, most decidedly not.

By Mr. Herron:

Q. Why did your counsel state in January that the by-laws were illegal? They must have been illegal or your counsel would not have advised you to rescind them?—A. The idea was to find out if they were legal, and they dug up these old by-laws which had never been dug up before.

By Mr. Lancaster:

Q. What was the object of digging them up?—A. That was my opinion; they should not be dug up. I said, 'Throw them in the fire; have nothing to do with them.'

By Mr. Herron:

Q. You got busy about that time, and you found your by-laws were illegal?—A. Distinctly illegal, I admit. They were distinctly illegal I know and admit, and the attorneys advised us to cancel them, abrogate them, or any other word you would like to use.

Q. This committee was appointed on the 12th December, and on the 16th—A. No, Mr. Herron, one moment. Allow me to explain that. The attorney had the books and papers and everything, and had gone through them carefully a long time prior to that.

Q. This merely coincides with the fact that four days after the committee was appointed—A. It does appear so.

Q. You found that your by-laws were illegal that you had been acting under all the time?—A. It would certainly appear so to an outsider, to those who don't understand it. That is the reason it requires an explanation.

Q. Your explanation is that you had them but they were never lived up to?—A. That is my explanation.

By Mr. Lancaster:

Q. And you say the attorney had the books and papers and the by-laws?—A. He looked through the whole thing, and gave it as his opinion that the practices of the association were not in keeping, as far as I can remember, with the old by-laws which were illegal.

Q. At all events this much is certain: there was an association of this kind?—A. Yes.

Q. And there were not other by-laws except those that were abrogated last January?—A. Well—

Q. Answer the question, please? There were no other by-laws except those that were abrogated?—A. Yes, there were other conditions.

Q. Were there other by-laws?—A. Well, they were taken as by-laws.

Q. What were?—A. I suppose I had better tell you the whole business.

Q. You had better answer the question please. What was taken as other by-laws?—A. I was going to explain to you—

Q. I want to know what it was that was taken as other by-laws?—A. If you will allow me to explain we will get at it quicker. I drew up an agreement myself—and I am game to shoulder the onus—in pencil.

Q. Where is that agreement?—A. That agreement is destroyed. It was drawn up in place of what was termed the affidavits in the minutes. An affidavit was ordered to be drawn up. Instead of that I pencilled out an agreement between us, and the gist

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of that whole matter upon which we worked afterwards was this: That the state of the trade could never be improved by the old methods adopted by the old association.

Q. Your agreement that you are speaking of was acted upon?—A. It was never even executed.

Q. Then why do you tell us about it, witness, as being something you acted upon as by-laws when you say in the very next breath it was never acted upon or executed? Please don't underestimate too much the intelligence of this committee. Just bear in mind there is a slight modicum of intelligence here, in answering questions, and we will get along better, and we will be more likely to believe your statements?—A. I am speaking under oath, and every word I state is true.

Q. That is why I want you to be more careful, because you are under oath?—A. Every word I state is true.

Q. Now, you have told us you acted upon an agreement instead of by-law?—A. Yes, sir.

Q. You wanted to explain all about it?—A. Yes.

Q. And then you told me it never was even executed?—A. That is true.

Q. Then how could you have acted upon it instead of a by-law?—A. We acted upon its fundamental principles.

Q. Then you did not act upon that agreement, but upon something else?—A. Upon the fundamental principles of the agreement which I pencilled out and which was afterwards drawn up and never executed.

Q. Then you never worked under it, and it never amounted to anything?—A. Yes, because we worked on the fundamental principles.

Q. In your mind?—A. No, in practice.

Q. What was not on paper could not take the place of your by-laws?—A. I was going to explain what those principles were and how they were superior to the old ones.

Q. I don't see how they existed, they were not on paper?—A. They were in effect, in spirit, which is better than paper in practice.

Q. How are we to understand in spirit?—A. I can explain to you how it was.

By Mr. McIntyre (Strathcona):

Q. You had no documents instead of your by-laws. You cannot show that this was even recorded on the minutes or any other place. The spirit you speak of must have been in the mind of all the parties at the same time?—A. It was understood.

Q. And besides that, it could have no definiteness of purpose without it was expressed?—A. It was expressed in the meetings time and time again.

Q. Are these expressions in the minutes. Ordinarily you would express the same idea in different ways every time you utter it?—A. Oh, dear, no.

By Mr. Lancaster:

Q. Is there any writing whatever—minute, agreement or anything else—that we can go to for a guide as to what was controlling you in place of those by-laws?—A. You can only take it from me.

Q. Is there anything in writing?—A. There is not.

By Mr. McIntyre (Strathcona):

Q. Did anybody know it existed except in your mind?—A. The document was read.

Q. Where?—A. At the meeting at Revelstoke.

Q. Produce the document?—A. The document was destroyed soon after. It was destroyed within two or three months after it was drawn up.

Q. Why?—A. Because some provisions were illegal, and those which were illegal we did not follow.

Q. Why did you not draw up a new agreement with provisions that were not illegal?—A. When we call a meeting every lumberman is in a hurry to get back.

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Q. And that is the reason?—A. That is the only reason. There is an executive committee, but that committee did not meet at all last year.

Q. Who dominated this association, you?—A. No, I could not dominate anything.

By Mr. Lancaster:

Q. Who elected the executive committee?—A. Oh, the general meeting.

Q. Once a year?—A. Yes, once a year.

Q. And the executive never met?—A. Last year they did not meet once.

Q. They were appointed regularly?—A. They were appointed, but they did not meet.

Q. They were appointed once a year. How then did this document get into operation?—A. It was not put into operation, but, as I say, the spirit of it was adopted.

Q. Where can we look at anything that shows the evidence of the spirit?—A. I can demonstrate it to you right away.

Q. I am not asking you that. Where is any piece of paper or document that will indicate to us what the spirit of that constitution was?—A. I will get one typed tonight and show you.

Q. Something you will make up probably?—A. Oh, no sir, I can remember all of it.

Q. There is nothing anyway in existence now?—A. I wrote to the solicitor to send me the original.

By Mr. McIntyre (Strathcona):

Q. The original of what?—A. My original that I had; I left it with him.

Q. But it was destroyed you say?—A. No, a pencil copy, you will understand, I thought I left it in his office and I asked him to send it so that I could use it here.

Q. I asked you if there is any documentary evidence and you told us it was destroyed.—A. Exactly, I thought he might have a pencil copy in his office.

Q. You were asked what evidence there was of this agreement, and you said the agreement was destroyed?—A. You did not quite catch it. It was the draft of the document.

By Mr. Lancaster:

Q. Then there was no document?—A. There was no document ever executed. I think we should do more good for public effect if you would go on and let me make a few comparisons in prices.

By Mr. Galliher:

Q. You are not going to regulate the way we do these things?—A. If you would adopt some system you would get at it quicker.

Q. We are of opinion we are adopting a system. It may not be the one you want, but it is the one that seems best to the committee?—A. Would you not be willing to take comparisons in the cost of manufacture in 1903, 1904 and 1907.

By Mr. Lancaster:

Q. Give the information?—A. For instance in 1903, I could obtain an abundance of labour at from \$26 to \$30 a month. At the present time similar kind of labour will cost from \$50 to \$55 per month. Four years since I was putting logs into the mill at \$2.50 to \$3 a thousand. To-day at one mill the logs cost \$7 and at another mill \$11.85. I have a statement here signed by one of my managers, which was got ready in a hurry, but I put it in as being correct, showing the cost of logs to be \$11.85 at two camps.

By Mr. Galliher:

Q. That is all good evidence, that is the kind of evidence we want?—A. Immediately I found that out I wired him to close those camps at once. We had a lot of teams there which were hired and we sent them back and those camps will never be

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opened again until the price of lumber goes up. I will find that statement and hand it in as evidence. I have got it here somewhere.

By Mr. Lancaster:

Q. And you say that is true?—A. Yes, absolutely true. Now, the cost of handling in the mill has increased from 30 to 60 per cent owing to the advance in wages and supplies of every kind. The price of horses has advanced considerably. Then it may surprise you to hear we are buying at the present time 60 tons of beets, carrots, parsnips and onions. For hay and oats we are paying \$30, and this is not a dream, for here I have the invoices which perhaps, Mr. Chairman, you would like to look at. And it is not an isolated case. These are copies of invoices of goods supplied by the Hudson Bay people to two camps.

By Mr. Herron:

Q. This may be information on the question in general, but it is not exactly a fair comparison for the simple reason that the high priced lumber produced in 1906 has been produced with labour and material that were provided in 1905?—A. No, sir.

Q. Therefore, I say it is not a fair comparison?—A. Take for instance logs. I have logs hung up for three years for want of water. You may say these logs were produced with cheaper labour. To a certain extent that is very true, but at the same time the deterioration of those logs and the interest on the money would be about offset.

Q. It has been sworn here, not perhaps by yourself, but by several witnesses that last year's cut would not sell one month's price list in advance of the lumber already in the yards and that is lumber that was produced more than a year ago?—A. You are referring to the price list?

Q. I refer to lumber and logs. In these supplies that you are giving the cost, did not go into the production of last season's logs?—A. Yes.

Q. These prices have only prevailed this winter?—A. Exactly. That applies to the logs this winter.

Q. To next year's cut of logs?—A. Take those two camps at Kootenay lake. The logs are ready to be rolled into the water and sent to the mill. As soon as they get to the mill they will be sawn up and under present conditions it won't be more than one month after the logs arrive at the mill before they are shipped off; that is if they can be cut.

Q. But by that time the price will be \$4 or \$5 a thousand more?—A. No, we won't put it up that much. We will put it \$2 a thousand more and then we will do very well.

By Mr. Lancaster:

Q. Mr. Herron is asking you whether the prices you have just mentioned have not been paid since the production of the lumber that you gave us the cost of. There is no doubt about it, that the increased cost you are stating has been incurred since the lumber was produced?—A. All these invoices will give you the date the lumber was made.

Q. We have no price list based on that increased cost of production?—A. Why certainly, I am making them every day. I am taking the logs into the mill all this winter and sawing them all this winter.

Q. Have you a comparative price list based upon the increased cost you have just given us?—A. Yes, sir. I have been making logs and sawing them all winter. I am differently situated to most of them. I can saw summer and winter. The cost of logs this winter has been enormous, and for many reasons. If you will allow me to explain one reason it will throw some light on the question. Now, road-making in the mountains is very expensive work, and sometimes it will cost us \$1 per thousand per mile for road-making. Then you take the second mile and it may cost you \$2 a mile per thousand, and that is a very big item; it is one you cannot get around in the moun-

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tains. You take, for instance, the time I was speaking of when I could get logs and put them right in the mill for \$2.50. To-day those logs delivered at the same mill cost me over \$7, for the simple reason that we have had so much of this road-making to do.

By Mr. Galliher:

Q. Are you logging your own logs?—A. Yes, sir.

By Mr. Lancaster:

Q. The last price list was No. 15?—A. We are shipping on No. 14 to-day. Mr. Lund is full up with orders on 14. We are not shipping on No. 15 except in isolated cases.

Q. You say that the lumber that you are selling at present is under No. 14 price list, but the comparisons in price that you are now giving us refers not to that lumber, but to lumber produced this season?—A. Yes, and there you have the vouchers of what it cost to produce some of that lumber right up to date.

By Mr. Herron:

Q. Certainly they are up to date; that is what I object to?—A. This is up to January 14, 1907.

Q. That is exactly the thing I object to. You are trying to mislead the committee on these figures?—A. I beg your pardon, it is because you don't understand it. It is not misleading at all. Put your question, and I will try to make it as plain and straight as possible.

By Mr. Galliher:

Q. Those invoices you have produced are 1907 invoices?—A. 1906 and 1907, yes.

Q. Now, have the products or supplies set out in these invoices been used in the manufacture of the logs that you have already sawed?—A. No, sir, but they will be within the course of a month or so.

By Mr. Herron:

Q. That list has not been got out yet?—A. That is very true.

Mr. SCHAFFNER.—That does not apply at all.

By Mr. Lancaster:

Q. The comparison is entirely misleading?—A. The comparison is misleading?

Mr. HERRON.—Undoubtedly it is.

By Mr. Schaffner:

Q. These invoices do not apply to the cost of the lumber you have been giving us?—A. The cost I have been giving you is where the mill is sawing all the winter.

By Mr. Herron:

Q. Yes, but we have not reached that lumber yet?—A. I beg your pardon, that is where you did not understand me. We have been sawing all the winter, and shipping all the winter whenever we could get the cars. We have run the logs right into the mill and turned the stuff through the mill right on to the cars.

By Mr. Galliher:

Q. We can make that quite clear. I think. These logs that you have been running into the mill and sawing during this winter, have they been gotten out in the woods under?—A. Under the increased cost.

Q. Under the prices of produce that you have got there, or were the logs produced some time previous to that?—A. They were got out and sold under No. 14 list. This winter we have been shipping on No. 14 list, and we are shipping on No. 14 list now.

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Q. I want to be absolutely fair with you, so that you may be perfectly understood by the committee?—A. Certainly.

Q. Take the case where you say you have been running in logs all winter and sawing them?—A. Yes.

Q. Was the produce that you bought and for which we have the invoices used in the taking out of these logs that you have been running in and sawing this winter?—A. No, because it is another mill. That is for the Proctor mill, which is one hundred and fifty miles away from the other.

Q. The point the committee are taking is this: The higher price of these supplies you purchase might warrant a rise later on in lumber?—A. Exactly.

Q. It is not an argument in support of your case to apply the cost of these goods to the lumber produced in an earlier season, because you were not actually consuming those goods then?—A. I quite see the point, but at the same time allow me to explain my side of the question as well. The logs that I refer to that we have been putting right into the mill cost us \$7 and a little over, and we are shipping right straight away off those logs. Well now, the \$7 logs when they produce nothing but common stuff will not make a very good return for any millman.

Q. The committee are not saying that is too much, or that anything you charge is too much, but they draw the distinction?—A. Between those \$11.85 logs.

Q. Between those invoices. Those invoices do not refer to logs cut last season. Supplies were then probably a great deal cheaper?—A. The cost of those logs, which I have given as \$11.85, was not owing to the charges made in these invoices.

By Mr. Herron:

Q. Partially, they must have had something to do with it?—A. Not entirely.

By Mr. Galliher:

Q. It was due to the increased cost of labour?—A. The increased cost of labour is a greater factor in the cost than either horses or produce.

Q. What I want is to get at exactly what you mean?—A. I do not want to be considered as misleading, that I am putting in a comparison which is not a fair comparison.

By Mr. Herron:

Q. Take a price list and answer me this question: What would be the difference in the percentage of the cost of these products between 1907 and 1906?—A. I could not answer that; I do not carry those figures in my head.

Q. You were saying the cost of supplies has gone up so high?—A. They have certainly gone up.

Q. And I claim they have gone up since January this year. You say they have gone up very materially, and I acknowledge that is true to some extent, but what is the difference in cost between last January and a year ago?—A. Well, that I cannot speak of. It would not be a factor in the case of any very great importance, it is a very small factor, as I have pointed out already. The greatest factor in the whole case is the rise in the price of labour, and the fact that men know they can get two jobs at any time of the day; consequently, you don't get as good a result when you are paying double the money. We are paying double the money that we were two or three years ago, and yet the result is not as good from each individual man.

By Mr. Schaffner:

Q. As I understood you, you were putting in these invoices to explain the high price of lumber according to price list No. 14?—A. Yes, it is one factor in the case.

Q. But these invoices cannot apply to No. 14 at all?—A. I quite grant that.

Q. Well, all right then?—A. But then I want to show that products are gradually rising in value, and therefore, you must look in the future to the reasons for the rise.

Q. Not to the future?—A. You are looking at the past.

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By Mr. Lancaster:

Q. You are asking us to accept something in the future as an explanation of something that has happened in the past?—A. I have offered you the figures for one mill in the past, and you won't accept that, I mean the one that has been operating all the winter with logs coming in and going out.

By Mr. Schaffner:

Q. When were you cutting these logs?—A. Cutting them as fast as they can take them into the mill.

Q. Were some of these logs cut in 1907?—A. They are cutting them right away, cutting them in the bush and bringing them right in.

Q. What is the price of horses?—A. Well, I have bought several teams and paid from \$450 to \$550 for a team without harness.

Q. Weighing 16 or 17 hundred?—A. No, 14 to 15 hundred. I have not seen them myself, that was what they reported to me.

By Mr. Lancaster:

Q. What year did you say you bought them in?—A. Early this winter.

Q. You bought how many teams, that you paid \$450 for at Nelson?—A. I don't remember.

By Mr. Herron:

Q. That includes harness?—A. No, it does not.

By Mr. Lancaster:

Q. How many teams have you bought in Nelson for which you paid \$450?—A. There is one team I remember especially that I paid \$550 for, and I paid some \$60 odd for the harness. That team I saw myself, the other teams my men bought, I don't remember whether it was three or four.

Q. But there was one team you bought for \$550?—A. At Wattsburg I have paid as high as \$600.

Q. What would you have paid last year for the same horses?—A. Well, within the last year I don't think they have risen very much, not during the last year.

Q. The year before?—A. Take it three years ago and you could get similar horses—

Q. Why do you say three years ago? I asked you the year before last?—A. I don't know.

Q. You don't know what it was last year. Very well, take three years ago?—A. I have bought similar horses to what we paid \$550 for for \$350.

By Mr. Herron:

Q. How many, three years ago?—A. About three years ago I got them for \$350.

By Mr. Galliher:

Q. Where did you buy them?—A. I bought them from dealers.

Q. Where did they come from?—A. In carloads from Mr. Herron's district. They did not give him very much, but they come and soak us. There is your middle-man again.

Q. They come from Alberta chiefly?—A. Chiefly, I believe.

By Mr. Lancaster:

Q. You say they don't pay very much for them in Alberta?—A. I could not swear that, but according to Mr. Herron's figures they do not.

Q. You are not responsible for what Mr. Herron says; you are responsible for yourself, and you say they don't pay Mr. Herron much for them?—A. I said I thought; I did not say they do not.

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Q: What do you pay for these horses?—A. \$350 to \$375.

Q. Why don't you go and buy them there?—A. Because I did not want to buy a carload at the time, and most of the millmen are like that; they cannot take a carload at a time.

Q. Could you not distribute them amongst your association very easily?—A. That has been suggested several times.

Q. You and the other millers are complaining of the cost of horses, and it turns out that you could get them, according to your own idea, for little more than half in Alberta?—A. Oh, not half; \$375 to \$400, and then they have to pay the freight. You must not lose sight of that fact.

Q. From \$350 to \$555?—A. Yes.

Q. You said \$350 in Alberta?—A. Yes, that is what I should think.

Q. Not much more than one-half?—A. Oh yes, there is \$200 difference.

Q. Now, there are a lot of you men complaining of the cost of horses?—A. Yes.

Q. Why should not several of you agree together for your mutual protection. It never occurred to any one of you to buy a carload of horses and bring them in?—A. I have already said it has been suggested and talked over.

Q. Why do you not do it?—A. Because we are scurrying around and trying to make both ends meet. I am not in that box myself, but others are.

Q. And why would you not save \$200 on a team of horses?—A. That is very true. but you would not save \$200.

Q. But you might save \$100?—A. Yes, that is so.

Q. You are scurrying around to make both ends meet you say?—A. I said most of them are, but I am not in that position myself.

Q. You say that you are handicapped by the amount of money it costs you for horses, and yet you do not save money on them by bringing in a carload?—A. That is a small factor compared with the rise in wages. I want to be fair on this, and I say it is true that horses are dear.

By Mr. Galliher :

Q. The particulars that made up the additional cost are, for instance, the increase in the price of foodstuffs, and the increase in the price of horses, but chiefly in the increase in labour?—A. Yes, sir, now you have it in a nutshell.

By Mr. McIntyre (Strathcona):

Q. Did I understand you to say just now you have made money in the lumber business?—A. Myself?

Q. Yes?—A. I make money in most things I touch because I work.

Q. Manufacturing lumber business has been lucrative from your experience?—A. From my own individual experience, yes.

Q. You have made how much on your investment?—A. I could not tell you, I never carry that sort of thing in my head, I would not carry that in my head, I could not tell you. I could not tell you the reason. If you want to know why I make more than some others—

Q. Do you make it?—A. Yes, I do, certainly, and I can give you the reasons if you want to know.

Q. I was not desiring to put any embarrassing question, but we have had a great deal of evidence here that the manufacturing business is not a paying business. How much do you make in your manufacturing business?—A. I could not really tell you, because I have so many different things mixed up together. But I can tell you this, and I should like to state it anyway, that I know myself others are not doing as well as I am for the reason that they are not so favourably situated.

Q. Is your company a joint stock company?—A. It is registered, but I am the sole owner, in fact.

Q. Do you pay a dividend on your capital?—A. There is no capitalization or anything else, it is run any old way, I dabble in a good many things, but I would say others I know are not so favourably situated as myself.

By Mr. Lancaster:

Q. As to location or finances?—A. As to location principally, with natural advantages.

By Mr. McIntyre (Strathcona):

Q. You mean they do not make as much money as you do?—A. No, they cannot, it is utterly impossible. Just the same, I heard one member doubt Mr. Ludgate's statement, but I could tell you, I know long ago that Mr. Ludgate was not making money, and I know many many more that I could give the names of, but they object, I asked them to give the names voluntarily and they said. 'Not much, we don't want our business exposed there,' and many others dare not say much, because they are afraid of their shareholders, and there is a good deal of sense in that when you come to think it over, but there are many others in the same position as Mr. Ludgate, only they do not come and speak out as he did.

By Mr. Herron:

Q. I know many men in other lines of business have lost money in buying experience besides the lumbermen.

By Mr. Lancaster:

Q. Can you suggest how lumber can be made cheaper to the consumer in the western provinces?—A. That is a question that is a very serious one. There is an easy way if you wish to do it. You have all the legal machinery at hand now if you like to enforce it.

Q. How would you suggest that we enforce it?—A. You can see by the evidence given here that there are cases of extortion and rank ones. Take these cases where the retailers are robbing the consumers, and where they have a corner on one town or district. That I think the evidence clearly demonstrates, does exist at the present time.

By Mr. Herron:

Q. You mean the Retail Dealer's Association?—A. No, outside the association a group of men may meet together and say that in that district they will not sell lower than a certain price. There is an illegal conspiracy if such an agreement exists, because there is no more open competition.

By Mr. McIntyre (Strathcona):

Q. You were going to suggest a remedy. We will make a note if you will give us a suggestion?—A. That is very easy, one inspector can look after the whole of the territories. Let the farmers or the consumers understand from the start that if they think they are being charged exorbitant prices for lumber, let them have some central office to which they can send in their complaints and know that the inspector can come right down there, look into it and report to you gentlemen here. If you find there is an illegal conspiracy take action at once and two or three cases like that would settle the whole business.

By Mr. Lancaster:

Q. That would involve a permanent commission for the purpose of hearing complaints all the time with reference to lumber?—A. No, I do not think so. If you had one inspector with power to take action.

Q. There would have to be a commission to report to?—A. You can easily make a commission or any other old thing to manage it, there would be no difficulty. I know that.

Q. Under what kind of management, who would manage that?—A. I will undertake to manage it if you will give me the power that is needed.

Q. You will undertake to reduce the cost to the consumer?—A. Where there is a case of extortion existing I will undertake to say that I will stop it if you will give me the power. Let the Crown enter action.

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Q. You mean prosecute under the present criminal code?—A. Certainly, that is the code you have now.

Q. Can you suggest any recommendation, any action that parliament would take outside of what you have just stated that would reduce the cost of lumber?—A. No. I have thrashed my brain all around trying to think of something, and the most effective thing I think of all is the one I have just mentioned.

By Mr. Herron:

Q. One of the first steps in a corner is for a lot of men to unite. Is not that necessary at the beginning?—A. Certainly; but you will understand that a lot of manufacturers in British Columbia cannot unite because we have competition all around us in every direction. We cannot unite. But a few men in any one town, or in any district, can unite and make an absolutely tight corner in that district.

Q. Have they not competition in the next town?—A. In many cases they have not. They may be isolated, but if they find that a man in the next town is cutting prices they can go over and say to him, let us agree and keep up the price. There are many districts in the country that are practically isolated, and if the farmer is obliged to go to that district and there is a corner in existence there, take proceedings against the dealers.

By Mr. Lancaster:

Q. What do you say to having a regulation that if the timber berths are not being utilized we should be in a position to compel the berth-holders to work those berths and take the logs off?—A. No; grandmotherly government has never been a success anywhere.

Q. What do you mean by 'grandmotherly government'?—A. A government which tries to look after its citizens as a grandmother would her grandchild in every respect.

Q. Here is a public domain which has been sold, and has been purchased by people because there is timber on it. Do you not think it is proper, whether it is grandmotherly or grandchildly, to have the purchasers work those berths instead of their being held for good prices?—A. You cannot compel men to cut lumber if they do not want to.

Q. Can you not pass an Act compelling you to cut so much lumber on the berths you are holding, each year?—A. No.

By Mr. McIntyre (Strathcona):

Q. You might have a penalty attached to take it away from you if you did not?—A. Yes, if you attach conditions to the sale of the timber, that it must be operated, or a proportion of it operated within a certain period. That is one way of getting at it.

By Mr. Lancaster:

Q. Is that grandmotherly?—A. That is a different thing to the other proposition.

Q. That is what I am asking you about?—A. Excuse me, you are not asking anything of the kind.

Q. Do you suggest that would be a good remedy to have the purchasers compelled to cut so much each year?—A. The latter one you spoke of?

Q. I am speaking now, never mind the latter one. Don't be too impudent, or we will have to attend to you in some way?—A. I am a man like yourself, Mr. Lancaster, and have my convictions.

Q. You are altogether too flippant?—A. I am not; I am serious.

Q. You will be attended to if you do not mind. You are in our charge in this room, and you will kindly cease to be flippant. We have been wrestling with you for three hours, and you will kindly understand that you are on oath and in our charge. Do you suggest that it will be a remedy for this evil for the government to compel the owners of berths to operate them?—A. No.

Q. You do not think that would be a remedy?—A. No, not to the full.

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Q. Can you suggest any other reason?—A. Yes, one you mentioned afterwards.

Q. Please suggest what you have in mind?—A. You may let the holdings of timber subject to provisions that it must be operated or it will pass out of their possession, which is a different thing to compelling a man to go and cut timber.

Q. That is your suggestion?—A. That is one thing that would assist.

Q. Is there anything else that you can suggest?—A. No, only that inspector part of the business that you have spoken about.

Q. You have covered all the suggestions that you have to make?—A. Every one, unless you adopt the idea that the farmers put in saw-mills, and if you want to do that I will sell you a dozen or two.

By Mr. McIntyre (Strathcona):

Q. You would suggest that the provincial government operate it?—A. No; the Canadian Pacific Railway built one big mill. There are witnesses here can tell you more about that than I can.

By Mr. Schaffner:

Q. Is that when they threatened to bring the price of lumber down?—A. No, sir.

By Mr. McIntyre (Strathcona):

Q. Did the price of lumber come down with that threat?—A. Not with the threat, but simply because of over-production.

Q. But still the prices did come down; the two things were simultaneous, so to speak?—A. That is very true, but it was owing to over-production and the dumping of American lumber on the market principally.

Q. It just happened at that time?—A. Yes, and the C.P.R. wanted to have it appear that they took care of the public, which was a wise thing to do if they could make that appearance, but which they did not. They had price lists printed, of which you have one here, to be hung up at every station, and that was at the time when lumber was going down all the time; yet these prices remained in the station. If the consumer kicked the retailer would point to the official price list, and yet he was getting an extra profit out of his lumber owing to the very fact of that list being there.

Q. Do you not think that method, properly operated, must have a good effect?—A. It would if the government were to operate it.

Q. No, I am speaking of what you are speaking of, a few moments ago—the placarding of the wholesale price and the retail price?—A. Yes, if you would follow it up, and not allow one list to stay there all the time.

Q. If it were properly operated, would not that have a good effect?—A. Yes, it would, most decidedly it would. But the trouble before was that they let the one old list stay there all the time. Now, if you have no objection, Mr. Lancaster, I should like to give a few quotations in comparison as to what the prices charged on the prairie are compared with other districts. So far you have asked for that information, but you have never been able to get it.

By Mr. McIntyre (Strathcona):

Q. Before you start to compare the price lists, Mr. Lancaster asked for suggestions from you as regards the correction of this evil?—A. Yes, well, I admit that Mr. Lancaster's suggestion, the latter one, is very good.

Q. I would like to ask your opinion as regards this imposition of an import duty on American lumber?—A. Well, of course, at the present time we do not need it, owing to the fact that they cannot supply themselves, but the time will come when we will need it.

By Mr. Gallihier:

Q. You will not be up against the dumping trouble any longer?—A. That is what Mr. Fielding asked long ago, and I said, No.

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Q. Will it not be the case that when the dumping clause is in effect as against lumber the Americans cannot go to work and throw that lumber into the Territories, or into your market at a less price than they are selling it in their own district?—A. I know that is the argument Mr. Fielding quoted.

Q. But that is the fact?—A. That is the fact on the surface, but let me explain what they will do: the Americans get very much higher prices for their upper grades, very much higher, than we do, and consequently they can afford to dump in their common stuff at any old price at all. What would they do when they want to get rid of their surplus lumber; they will meet together and say we will keep up the price of the upper grades and set the price of the lower grades so that it will enter the Canadian market, and then you cannot apply the dumping clause, because they are not selling in Canada any cheaper than in their own country. They can regulate that.

Q. Do you suppose that they are going to sell their lumber, the lower grade of lumber that they can sell in their own market, at a loss, just simply to get what they can out of the market in Alberta?—A. No, they would not sell at a loss at all, because the enormous price they get for the upper grades will let them out, even at any old price they like to place upon the many millions put on board cars for \$6 a thousand. That is the way they would meet the dumping clause.

Q. I think you will find it will do as in other lines of goods and be effective.—A. But, as you know, there is a big hole, and the government has taken the right steps to have the thing looked into. At the same time, it is only fair to let people know they are not paying nearly as much in the Northwest Territories as they are in other parts of the continent. They are getting cheaper lumber in the Northwest Territories than in any other locality or district in the whole of this continent.

By Mr. McIntyre (Strathcona):

Q. Are they getting lumber cheaper there than they are here?—A. Well, now, in Ottawa here to-day No. 1 barn boards are quoted at \$26 and \$28.

Q. What will that correspond with in yours?—A. That will correspond with our No. 1 common boards.

By Mr. Galliher:

Q. No. 1 barn board is absolutely rough with no planed at all?—A. In that case they will be good and sound. Our No. 1 is also good and sound. Well, now, you see there is \$26 and \$28 here right in Ottawa. Here is a copy, I got it from one of the Senators, who got that out for me. Now, you compare what we are getting with the prices right here to-day, and you will see that here in Ottawa they are getting double the price to what we are getting at the mill for common boards. We do not average from \$14 or \$15 for common boards at the mill, and they ask \$26 to \$28 right here in the yard. You must bear in mind the fact that here in Ottawa to-day, they are paying men \$1.80 and they are boarding themselves. This I know, because I inquired.

By Mr. Galliher:

Q. Is there No. 1 that they sell here at \$26 you say—A. \$26 and \$28.

Q. Is your lumber that you sell at \$14 of as good quality as what they sell at \$26 and \$28?—A. I cannot say as to that, because I have not seen it.

Q. That may make a difference?—A. Take their common stock, that is quoted here, 1 x 4, and up to 15 and 16, and that class of stuff we deliver to a place like Pincher Creek, paying the freight on it at \$15 to \$15.50 a thousand.

Q. And they sell it here at \$26?—A. Yes, they have it listed here at \$25 and \$26 here in the yard.

By Mr. Herron:

Q. Is that the 14 sheet that you have there?—A. No, I am taking 15 here. I have enough orders on the 14 list to keep me going for the next three months. If we put up the price of lumber to-day, I should not get my benefit from it for three or four months.

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Q. That is what I want to get at. If orders were put in before the 15 list was out, would they be supplied at the old rate?—A. Yes.

Q. It is reported to me that lumber has taken quite a drop in Alberta at the present time in some towns, do you know anything about it?—A. No, I do not, but it is no question it will, and in that respect you will do some good. Now would you like me to give you another quotation from Sarnia, Ont., Toronto, and Boston?

By Mr. Schaffner:

Q. It is not a bad thing to have in evidence?—A. It is good to have it in evidence and to give full information to the public.

By Mr. Galliher:

Q. I quite agree with that?—A. Here is Sarnia, No. 1 barn, 1-inch, \$27 to \$35; 1½-inch, 1½-inch, 2-inch, \$33; 2½-inch and 3-inch, \$39.

Q. Get us something that you can compare with similar grades that you can sell in the Territories.

By the Chairman:

Q. Take No. 1 dimension?—A. That is what I have been looking for, and I have been trying to get a price list here in Ottawa, but I cannot do so. They are not at all convincing, but everyone understands that a No. 1 board is a good board.

By Mr. Lancaster:

Q. You do not call it the same thing?—A. It is the nearest that we can find to our No. 1.

Q. Very good, but being near to it does not make it a good comparison?—A. They have a different class of timber.

Q. All the more reason that it is not a good comparison?—A. Yes. Well, listen to me, it makes no difference to the man putting up a barn, whether it is larch, fir, hemlock, or whether it is pine; there is very little difference in the cost. It does not cost any more whether it is larch, pine or any other timber.

Q. The durability makes a difference?—A. It does not make any difference, if the man uses lumber it makes no difference what he uses.

Q. Do you mean in the cost?—A. What way you choose.

Q. But if a man tells me that one is better than the other and lasts longer, I would choose the best?—A. You take pine, I have sawn up with my own hand, pine logs that have been lying four years that were split through and partly rotten. I have sawn up larch logs which have been lying five and six years, and they have been as solid as the day they were felled, and at the same time they will ask for pine in preference to larch, and larch is the timber of which we have the greatest proportion.

By Mr. Herron:

Q. What percentage of high grade lumber do you get of your cut?—A. I get more than any other mill I know of. 20, 25 and sometimes 30 per cent.

By Mr. Galliher:

Q. Where are your mills?—A. Right back at Wattsburg, 8 miles from Linbrook.

By Mr. Herron:

Q. You get as high as 25 per cent of high grade?—A. Yes, and sometimes 30. But that is not all No. 1.

Q. That is No. 1 and No. 2 grade?—A. Yes.

Q. What prices do these No. 1 and 2 grades turn out, dressed?—A. Oh, we make it a pretty high price; that is the way I make my money.

Q. Will you name the amount?—A. Oh, you make \$33, and if it is edged grain you make \$35.

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Q. That ought to be good profit?—A. Oh, it is. Wherever a man has a large proportion of upper grades he will make money; but there are very few that can do that. Here is one statement already sworn to and laid before you, where the percentage of high grades is next to nothing. No. 1 is only 3.29 per cent.

Q. Do you know any system of fines or punishment of your association for defaulters who break the rules and regulations of the Manufacturers' Association in the matter of prices?—A. Oh, no, nothing of the kind.

Q. You never had it?—A. No. It was talked about, but then it would never work anyway. This is the way they looked at it, and they have thrown it out.

Q. Was there not such a regulation? Was it not a part of your by-laws?—A. I have no knowledge of any such thing. I have never looked at the by-laws.

Q. That a man should be punished by fine if he broke the list prices?—A. I do not know of any; but I have heard it talked over very many times, and the decision arrived at was simply this, that if a man is overstocked with a hundred cars what would he care of a \$500 or \$1,000 fine if he wanted to ship a million feet of lumber? He would not consider it for a moment, he would ship the lumber, and we said, it is quite inoperative, let her go.

By Mr. Lancaster:

Q. I suppose you are not drawing on your imagination when you say that he would go on and pay the fine?—A. I say that is what we discussed. I did not say it happened, or did not happen. I say it is what we discussed.

By Mr. Schaffner:

Q. Did you ever know of a man being fined?—A. No.

By Mr. Herron:

Q. In any place where they were burnt out were there any records destroyed by fire?—A. No, I never heard of it, and I would certainly know of it if anybody did. It has never been admitted at any time at all that there is anything of the kind. There are a few other papers I wanted to put in, but I guess I can put them in and you can read them at different times. They are my comments on the different things, and they will be published and each of the members can read them.

By Mr. Lancaster:

Q. What are they? We do not place on the file documents of the contents of which we are in ignorance. I may as well tell you, if you are going to put in comments you do not want to suppose that because you are going to publish them we are going to pay any attention to them?—A. I do not know; I do not want them—

Q. If they are statements of facts or information, all right. But we may as well be fair with you, and tell you that we do not want comments?—A. Yes; I am getting out a statement of comparisons in different classes of lumber.

Q. Those we would like to have now?—A. Here is one of the Inland Empire. This was obtained by Mr. Wells from the other side, and the Inland Empire is understood to cover the Northwestern States.

By Mr. Schaffner:

Q. In 1905 there was a pamphlet written when they were asking an increase in the duty. Do you remember that?—A. I was not a member of the association at that time. I did not attend the meetings, although I knew what was going on pretty well. But here is a quotation that Mr. Wells got. It was understood he was to explain all these different figures to you, but he did not. No. 1, 12-inch common boards, the Inland Empire price is \$33.25, and No. 2, 12-inch, \$27.25. Now, as far as we can judge our No. 1 in comparison to these will be about equal to their No. 2, and our price is \$24.50 and theirs is \$27.25.

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By Mr. Galliher:

Q. Is there anything to show that these are authentic figures?—A. Only in so far as this is a copy of a letter sent out by Mr. Wells to all of us, showing the comparative prices paid on the other side.

Q. Was that gotten out in Mr. Wells' evidence?—A. I do not think it was. It was not. I wanted him to deal with it.

Q. The point is that whatever witness puts that in should be in a position to authenticate it, otherwise we might get all kinds of statements put in that we could not rely on?—A. That is very true. I quite admit that.

Q. That was not put in in Mr. Wells' examination when he was under oath. Are you in a position to state of your own knowledge, as a witness, that these are correct? We must consider these things, you know?—A. That is very true, and that is quite reasonable. I can do no more than say, there is Mr. Wells' signature.

Q. You do not know personally?—A. It is a copy of the letter he sent out.

Q. You do not know personally whether this is correct or not?—A. I have no personal knowledge, certainly not. But I understand that Mr. Wells did go there for the purpose of making these comparisons.

Q. If you are in a position to say 'I know these figures are correct,' that would be absolutely good evidence?—A. You have the statement of a witness here to-day that American lumber is worth \$2 more.

Q. We are talking about these figures at present?—A. You could not accept these figures, so I understand. I can tell you what I can do, I can get Mr. Wells to have a sworn copy made and sent to the Chairman.

Q. That will be all right; you can do that?—A. I can get that done, and Mr. Wells will send it in in affidavit form.

Witness discharged.

EXHIBIT No. 84.

OKOTOKS AND HIGH RIVER LUMBER CO. February 24, 1906.

Car 53868—	
2 x 4, 10 to 20 ft., at \$17, 25,361 ft.....	\$421 87
Less freight, 62,200.....	105 74
	<hr/>
Less per M, \$12.40. Net.....	\$316 13
	<hr/>

R. C. THOMAS, Calgary. March 12, 1906.

Car 17443—	
Car mixed timbers, 8 x 12, 6 x 6, 12 x 12, at \$16.50 and	
\$17.50, 21,935 ft.	\$365 71
Less freight, 6,300 at 18½c.	116 55
	<hr/>
Average per M., \$11.65. Net.....	\$249 16
	<hr/>

STAPLES & Co., Calgary. March 15, 1906.

Car 45326—	
No. 1 boards and dimensions at \$16, \$17 and \$18, 24,-	
455 ft.	\$415 26
Less freight, 62,500 at 18½c.	115 63
	<hr/>
Average per M., \$12.25. Net.....	\$299 63
	<hr/>

APPENDIX No. 6

A. R. SHANTZ, Carstairs.	March 17, 1906.
Car 36504—	
Shiplap, 29,367 ft. at \$17.50	\$513 90
Less freight, 57,500 at 19½c.	112 13
Average per M., \$15.68. Net.	\$401 77
BRECKENRIDGE & LUND, Calgary.	March 21, 1906.
Car 147434—	
Dimensions 2 x 4—12 at \$17.50, 28,448 ft.	\$497 84
Less freight, 72,500	126 88
Average per M., \$13. Net.	\$370 96
DAYSLAND TRADING Co., Daysland.	March 21, 1906.
Car 12256—	
Boards and shiplap, at \$15.50, 21,070 ft.	\$326 59
Less freight, 44,500	111 25
Average per M., \$10.22. Net.	215 34
DAVIS & FRASER, Moosejaw.	March 23, 1906.
Car 56516—	
Dimensions 2 x 4, 10 to 20 ft., at \$19.75 & \$20.75, 23,312 ft.	466 19
Less freight, 60,500	157 30
Average per M., \$13.25. Net.	\$308 89
R. C. THOMAS, Calgary.	April 4, 1906.
Car 46802—	
Dimensions 2 x 8, 10 x 12 to 20 ft., at \$15, \$15.50 & \$16, 24,214 ft.	366 79
Less freight, 60,500	111 93
Average per M., \$10.53. Net.	\$254 86
DAVIDSON FRASER, Pense.	
Car 34286—	
Dimensions 2 x 6—12 to 18 ft. at \$20.50 & \$21.50, 24,310 ft.	504 94
Less freight, 64,500	170 93
Average per M., \$13.74. Net.	\$334 01
DAVIDSON & FRASER, Moosejaw.	April 11, 1906.
Car 57590—	
Dimensions 2 x 4—18 at \$21, 28,382 ft.	500 47
Less freight, 60,500	157 30
Average per M., \$14.40. Net.	\$343 17

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J. W. MOHLER, Ohaton.

April 14, 1906.

Car 34608—

Mixed dimensions and shiplap, \$15.50, \$16, \$16.50 & \$17,	
19,116 ft.	\$308 86
Less freight, 47,500.	116 38
	<hr/>
Average per M., \$10.44. Net.	192 48
	<hr/>

J. W. MOHLER, Ohaton.

April 14, 1906.

Car 30378—

Mixed dimensions and shiplap, \$19.50 & \$21.50, 19,058 ft.	\$390 60
Less freight, 43,500 at 24½.	106 58
	<hr/>
	284 02
Less rebate.	16 01
	<hr/>
Average per M., \$14.10. Net.	268 01
	<hr/>

FRANCOIS ADAM, Camrose.

May 31, 1906.

Car 24719—

Dimensions 2 x 10 & 2 x 12 to 26 ft. at \$19.50, \$20 & \$22.50,	
23,633 ft.	491 36
Less freight, 58,900.	141 36
	<hr/>
Average per M., \$14.80. Net.	350 00
	<hr/>

SASKATCHEWAN LUMBER Co., Estevan.

June 6, 1906.

Car 38782—

Dimensions 2 x 4 & 2 x 8, 12 to 18 ft., at \$20.50 & \$21.50,	
20,016 ft.	411 52
Less freight, 51,100.	153 30
	<hr/>
Average per M., \$12.90. Net.	\$258 22
	<hr/>

SASKATCHEWAN LUMBER COMPANY, Estevan.

June 13, 1906.

Car 38760—

Dimensions 2 x 8, 10-14 to 20 ft., at \$20.50, \$21 & \$21.50,	
21,233 ft.	441 81
Less freight, 53,300	159 90
	<hr/>
Average per M., \$13.27. Net.	\$281 91
	<hr/>

SASKATCHEWAN LUMBER Co., Yellow Grass.

June 16, 1906.

Car No. 10754—

2 x 4, 12 to 16 feet at \$20.50, 19,077 ft.	391 08
Less freight, 48,400	135 52
List No. 11—	<hr/>
Average per M., \$13.38. Net.	\$255 56
	<hr/>

APPENDIX No. 6

ROYAL LUMBER & FUEL Co., Winnipeg. July 12, 1906.

Car 13654—

2 x 4—16. 20,757 ft., at \$20.50... 425 52

Less freight, 43,200... 142 56

List No. 11—

Average per M., \$13.63. Net... \$282 96

SASKATCHEWAN LUMBER Co., Yellow Grass. August 6, 1906.

Car 45064—

Dimensions 2 x 10—12 to 22 ft., at \$21.50, \$22.50, \$23.50,

18,680 ft... 405 89

Less freight, 42,300... 118 44

List No. 12—

Average per M., \$15.35. Net... \$287 45

STAPLES & Co., Calgary. August 13, 1906.

Car 17042—

Dimensions 4 x 4—20 & 2 x 12—20 at \$20.50 & \$21, 11,760

feet... 250 92

Less freight, 30,000... 55 50

List No. 12—

Average per M. \$16.60. Net... \$195 42

STAPLES & Co., Calgary. August 22, 1906.

Car 54828—

2 x 4—6 to 20 ft. and 2 shiplap at \$13.50 and \$14.50,

31,291 ft... \$433 62

Less freight, 66,600... 96 57

\$337 05

Less rebate... 50 24

List No. 12—

Average per M., \$9.22. Net... \$286 81

STAPLES & Co., Calgary. August 27, 1906.

Car 30510—

Elevator cribbing, 16,665 ft., at \$13.50... \$224 98

Less freight, 38,000... 55 10

List No. 12—

\$169 88

Less rebate... 2 00

Average per M., \$10.19. Net... \$167 88

HILL & SONS, Saskatoon. September 2, 1906.

Car 27444—

2 x 4—10 to 16 ft., at \$21.50, \$22, \$22.50, 18,586 ft... \$403 57

Less freight, 36,400... 172 26

List No. 12—

Average per M., \$13. Net... \$231 31

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McINTOSH, Saskatoon.

September 3, 1906.

Car 27870—

Mixed dimensions and boards, \$22.50, \$23, \$24 and \$24.50,	
18,816 ft.	\$434 57
Less freight, 41,400.	136 62
List No. 13—	
Average per M., \$15.70. Net.	<u>\$297 95</u>

A. JOHNSON, Daysland.

September 15, 1906.

Car 146380—

Mixed dimensions and shiplap, \$19.50, \$20.50, \$21 and	
\$21.50, 26,399 ft.	\$564 30
Less freight, 56,160.	153 25
List No. 12—	
Average per M., \$15.90. Net.	<u>\$411 05</u>

ALBERTA LUMBER Co., Cardston.

September 19, 1906.

Car 53990—

Mixed dimensions, boards and shiplap, at \$17, \$19, \$20 and	
\$20.50, 27,575 ft.	\$524 49
Less freight, 62,100 No.	136 62
List No. 13—	
Average per M., \$12.50. Net.	<u>\$387 87</u>

STAPLES & Co., Calgary.

September 20, 1906.

Car 15636—

No. 1 and No. 2 shiplap, \$19 and \$16, 19,059 ft.	332 35
Less freight, 32,200.	59 57
List No. 13—	
Average per M., \$14.25.	<u>\$272 78</u>

JOHNSON, Daysland.

September 22, 1906.

Car 34364—

Mixed dimensions and boards, at \$17 to \$22.50, 20,715 ft..	\$428 13
Less freight, 53,400.	149 52
	<u>\$278 61</u>
Less rebate.	50 47
List No. 12—	
Average per M., \$11.10. Net.	<u>\$222 14</u>

G. BECKER, Crossfield.

September 29, 1906.

Car 57052—

Mixed dimensions and boards, \$16.50, \$18.50, \$20.50 and	
\$21.50, 23,609 ft.	477 41
Less freight, 56,400.	107 16
List No. 13—	
Average per M., \$16.00. Net	<u>\$370 25</u>

APPENDIX No. 6

J. E. BROOKS, High River.

October 3, 1906.

Car 21000—

Shiplap, 6 in. & 8 in., at \$19 & \$20.—19,354 ft 378 98

Less freight, 37,700 64 09

314 89

Less rebate. 19 35

List No. 13—

Average per M. \$15.50. Net. \$295 54

STAPLES & Co., Calgary.

Oct. 11, 1906.

Car 39340—

Boards 8 in. and 10 in., at \$19 and \$20—23,179 ft. 458 71

Less freight, 55,300 102 31

List No. 13—

Average per M., \$15.50. Net \$356 40

J. E. VANDERBURG, Daysland.

Oct. 20, 1906

Car 11850—

Dimensions, 2 x 4—12 & 16 ft. at \$21.50 & \$22.50—18,344 ft 397 09

Less freight, 45000. 112 50

List No. 13—

Average per M., \$15.51. Net. \$284 59

Dec. 19, 1906.

D. R. FRASER & Co., Edmonton.

Car 31658—

Dimensions and shiplap, at \$22.50, \$23 and \$23.50—

23,759 feet. 548 40

Less freight, 61100. 149 70

List No. 13—

Average per M., \$16.50. Net. \$398 70

HARRIOTT & Co., Pense, Sask.

Dec. 28, 1906.

Car 43928—

Dimensions 23,488 ft., at \$22.50. 528 48

Less freight, 54700 144 96

List No. 14—

Average per M., \$16.60. Net. \$383 52

H. N. SERETH, Daysland.

Dec. 29, 1906.

Car 20571—

Dimensions, at \$21.50 to \$23.00—27,754 ft. 616 70

Less freight, 74100. 185 25

List No. 14—

Average per M., \$15.54. Net. 431 45

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H. N. SERETH, Vermillion.

January 10, 1907.

Car 42522—

Dimensions and shiplap at \$24, \$24.50 and \$29—25,002 ft.	\$610 04
Less freight, 63900..	204 16
List No. 14—	
Average per M., \$16.26. Net..	<u>\$406 78</u>

W. F. LAWRENCE, Maple Creek.

January 14, 1907.

Car 23892—

Common boards, dimensions and clear larch at \$17 to	
\$41—16,125 feet..	\$355 88
Less freight, 44700..	96 11
List No. 14—	
Average per M., \$16.10. Net..	<u>\$259 77</u>

BEAVER LUMBER Co., Earl Grey, Sask.

January 29, 1907.

Car 27213—

Mixed dimensions and shiplap at \$25 to \$26.50—32,254 ft.	\$835 64
Less freight, 71000..	301 75
List No. 14—	
Average per M., \$16.24. Net..	<u>\$533 89</u>

STUART & Co., Calgary.

February 25, 1907.

Car 38360—

8 x 8 26 at \$28.50; 2 x 4 12, 14, 16, 18 at \$20.50 and \$21;	
2 x 4 20 at \$21.50—23,543 ft....	\$502 08
Less freight, 52400....	96 94
List No. 14—	
Average per M., \$17.50. Net..	<u>\$405 14</u>

THE CO-OPERATIVE LUMBER COMPANY, Procter, B.C.

The following is a correct statement, itemized, of cost of logs made by us at Camp Nos. 1 and 2 on Kootenay Lake up to February 28, 1907:—

Cost per M. ft. from stump to lake side..	\$ 8 65
Timber owners stumpage..	0 75
Government “	0 50
Booming for towing..	0 62
Towing..	0 50
Management office expense and interest..	0 83
Total....	<u>\$11 85</u>

PROCTER, March 4, 1907.

(Sgd.) F. P. MORIN, per S.

Committee adjourned.

APPENDIX No. 6

WEDNESDAY, April 3, 1907.

The committee met at 10.30 o'clock, a.m.

ADAM JAMES MCGUIRE, sworn.

By Mr. Lancaster :

Q. Where do you live?—A. Pincher Creek, Alberta.

Q. What do you do there?—A. I am in the coal business.

Q. Have you been in the lumber business?—A. Yes.

Q. When did you go in?—A. In 1901.

Q. When did you quit it?—A. I quit it in July, 1906.

Q. Why did you quit it?—A. Well, I was not able to attend to all my business, and I left out one part.

Q. We want you to give us some information about the lumber prices there. Perhaps it will save time if we let you make a statement. You have some information, haven't you?—A. I do not know what information the committee wants.

Q. We want facts as to the price of lumber during the last two years. Perhaps you would prefer to make a statement?—A. When I commenced the lumber trade in 1901 my trade was entirely with mining companies. I had nothing to do with the public nor did I sell anything to the public in 1902 or 1903. It was all to the mines.

Q. Until 1903 you sold entirely to the mines?—A. Well, there might have been an odd carload, but nothing of any account.

Q. Well, now, what happened in 1903?—A. Well, in 1903, the lumber trade was bad. That is, money was rather hard, and there was a large amount of American lumber coming in to the southern part of Alberta. Low graded lumber was sold.

Q. American lumber was coming in?—A. Yes, American lumber sold f.o.b. in 1903 for \$10.50 and \$11.

Q. That would not be the reason you began to sell to the consumers?—A. No. I sold my small lumber mill and purchased a large one in 1904.

Q. That was the only mill you had at that time?—A. Yes, at that time. I purchased another.

Q. And you were not in the business for a year?—A. Possibly nine months.

Q. Then you bought that mill in 1904?—A. Yes, in May, 1904.

Q. Well, what happened?—A. Well, I disposed largely of my output in 1904 to the mines, but when I went to sell to the lumber yards I found that I had to join a certain combine or I could not dispose of my stock. I was made to understand that I had to join a certain combine known as the Mountain Mill Association or I could not dispose of my stock.

Q. Who told you that? Were you told by the lumber yard men that you were trying to sell to?—A. Yes.

Q. When you tried to sell them goods you were told you would have to join the Mountain Mill Association?—A. It was not put in those words, but I was given to understand that there were chances of losing trade if I did not put myself right with the association.

Q. At any rate you were referred for the relief of the trouble to Mr. Gurd?—the secretary-treasurer in Cranbrook.

Q. What did he tell you about it?—A. I wrote Mr. Gurd first and he wrote me that if I wanted to send in my application they would be only too glad for me to join the association.

Q. The retailers referred you to Mr. Gurd, did they?—A. They told me the man to apply to.

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Q. For a solution of what they said you should put yourself right ?—A. Yes, but I do not know the exact words used.

Q. At any rate, you were referred for the relief of the trouble to Mr. Gurd?—A. Yes. There were certain lots of material accumulating on my hands that the mines did not want, and I wanted to dispose of it.

Q. You wrote to Mr. Gurd?—A. Yes.

Q. Did you get any letters from him ?—A. I did.

Q. Have you got them here ?—A. No, they were destroyed by fire.

Q. You wrote, however, to Mr. Gurd, the secretary of the Mills Association?—A. Yes.

Q. What did you say to him ?—A. I do not remember exactly what I said to him. I wished to know what to do. I got a letter from him and then I wrote to him to know the certain conditions of this association or whether they were binding and the advantages to be derived from belonging to the association, and he wrote to me in answer to that.

Q. Have you any of those letters ?—A. I have not.

Q. To what effect was his letter ? You say you cannot produce it ?—A. From memory the second letter ran like this : 'The first advantage of this association is to keep the price of labour down at a minimum.'

Q. The first object was to keep down the price of labour ?—A. Yes.

Q. What else did he say was its object ?—A. The second advantage was to regulate the prices of sales so that the trade will be remunerative to all parties concerned.

Q. To regulate prices so as to keep it remunerative ?—A. Yes.

Q. Anything else ?—A. In the letter he stated that we were legally and morally bound to stand by the one price on the different lists of goods.

Mr. McINTYRE (Perth).—Did he say legally?

By Mr. Lancaster :

Q. Please repeat that last sentence ?—A. He said we were legally and morally bound to stand by the same prices for the different goods.

Q. He said you were legally and morally bound to stand by their arrangements ?—A. Their price list.

By Mr. McIntyre (Strathcona):

Q. You are speaking of the Mountain Association ?—A. Yes, in 1904.

Q. And they said you were legally and morally bound ?—A. Legally and morally. From memory, that is the expression he used.

By Mr. Sloan :

Q. Who was that letter signed by ?—A. By Mr. Gurd, Cranbrook.

By Mr. Lancaster:

Q. You say you had a fire. Was everything burned ?—A. I lost my office and 70,000 feet of lumber.

Q. But so far as your documents are concerned were they all destroyed ?—A. The greater part. I managed to save some.

Q. What did you save ?—A. I saved my books and some groceries that were in the office and dry goods, but there was a lot of letters that in the rush we did not save.

Q. And those letters were burned in the fire ?—A. I think so, I know that at the time of the fire a lot of my letters disappeared at that time.

Q. Anything else besides the letters ?—A. Nothing was saved in the office except my line of books and some groceries and dry goods.

APPENDIX No. 6

Q. What year was that fire?—A. The 9th of August, 1904. From memory, I think the 19th of August; I am not quite sure.

Q. Of course, you are speaking entirely from memory?—A. Yes, that is from memory.

Q. Have you any doubt as to what he wrote to you?—A. I plainly have the idea as to the meaning of the words.

Q. You have a fair sense of it?—A. What I thought the meaning of the words to be.

Q. What happened after; did you join the association?—A. No, I didn't. I met Mr. Gurd in the street, I am not sure whether it was in Cranbrook, and I said to him, 'Look here, you want to make this association binding; is there any way in which a man, if you wanted him to hold out for the price, can get 50 per cent of the amount of his lumber if you want him to stack the stuff to suit the association,' and he said 'No.'

Q. He said there was no way of doing that?—A. No.

Q. Is that all?—A. Well, I said if my banker wants \$10,000 and I have a million feet of lumber, what am I to do; am I to hold for the price and let the banker seize the lumber, and he said, 'Well, we haven't got so far as that, we don't know.'

Q. This Mr. Gurd was secretary of the Mountain Mills Association?—A. Yes.

Q. Was there any other negotiations between you and Mr. Gurd about joining the association?—A. No.

Q. You never joined?—A. No, because I came to the conclusion that I could not bind myself. I am a poor man.

Q. You have not enough capital?—A. No. I have a pay-roll of \$3,600, and I have to keep myself clear to meet that.

Q. That is a pay-roll of \$3,600?—A. Yes.

Q. Did you go on with business?—A. Until I was burnt out.

Q. Until the fall or the summer?—A. Yes.

Q. How long were you in business?—A. With that big mill, I was in business until about from the 1st of May to the 19th August, when I was burnt out.

Q. During that time did you have anything by which you would know what this association was doing; what it was accomplishing?—A. No.

Q. You didn't join the association when you were carrying on business; did you learn anything as to their methods in respect to the lumber trade?—A. No, I cannot say that I did. Of course, my mill was burnt.

Q. You were working the mill about three months?—A. About three months.

Q. What happened after that?—A. Well, I got my business straightened out, paid my debts, and moved the balance of the lumber to Macleod.

Q. Had you your own yard there; did you open a retail yard?—A. Yes.

Q. How did you get on?—A. Well, I sold my stock of lumber, possibly 26 or 28 cars. I shipped to Macleod, then I closed up that business and bought another saw-mill.

Q. You sold out the stock and bought another?—A. I bought another saw-mill.

Q. From whom?—A. From whom did I buy the mill?

Q. From whom did you buy the second saw-mill?—A. I bought from a man named Harvey at Cranbrook.

Q. After you had sold out your own stock you replenished it?—A. After I had sold the stock I closed the yard.

Q. You sold out the yard?—A. I closed it. I closed it up; I only had a yard rented.

Q. You started another business, a new business in another location?—A. Yes.

Q. In the same town?—A. I didn't start in the retail business; I have told you that I bought another saw-mill in May, 1905.

Q. What you did was to start another wholesale business?—A. Yes.

Q. Where?—A. About eight miles west of Fernie, B.C.

Q. How did you get on there?—A. Well, most of my trade went to the mines from that mill, but for that any trade I wanted to do I had to cut prices or not do it at all.

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Q. Why?—A. I don't know.

Q. You didn't have much trade outside?—A. I could not trade unless I cut prices below the list price.

Q. Well, why was that?—A. Well, I may explain that I could never get an explanation from any of them. I was called a black sheep.

Q. Well, if you sold cheap enough apparently they would buy yours first?—A. Yes.

Q. Although you were called a black sheep, they did not go the length of refusing to deal with you if they could make money out of you?—A. Yes, they wanted to make a good deal of money.

Q. Have you any statement to make as to their blacklisting you?—A. Why, I don't know. I have not the slightest proof positive.

Q. And when you were selling to the yard, what happened?—A. I was getting \$1.50 to \$4 below the list price.

Q. You had to get rid of your lumber?—A. I sold some to Muir, Wilson and Starke, in Saskatoon, and I sold to the Cushing people in Edmonton, a few.

Q. What did you call the list price, the lumbermen's price?—A. Yes.

Q. You knew what that was?—A. Yes.

Q. Did you make yours accordingly?—A. I tried to, certainly.

Q. To regulate your prices according to theirs?—A. I kept as close to it as I could. In this particular case I could not and I had to dispose of the lumber.

Q. How long did this go on?—A. I was only in that mill from June, 1905, to July, 1906. I did not turn out a large amount of lumber. I turned out a lot of posts and firing and so on. I found nobody interfere with me in the sale of that.

Q. Then you quit the business when?—A. In July, 1906, I quit the mill business.

Q. What else? Have you been in business since?—A. I have been in another class of business since.

Q. Not in the lumber business?—A. No, in the coal business.

Q. You have not been in the lumber business since 1906? Why did you quit?—A. Because I had too much work.

Q. Too much other business to do, is that what you mean?—A. Yes, I had to give up something, and I thought I would give up the lumber trade.

Q. Too many irons in the fire, to use a common expression?—A. I presume so.

By Mr. Herron:

Q. Were you manufacturing in 1904-5-6, had you any difficulty in selling the output from your mill? Could you sell at the prices that those yard men were paying elsewhere?—A. They claimed that they did not have to pay list prices. They would not pay me the list price, and consequently I tried to get the mining trade.

Q. Did those lumber people that you tried to sell to ever inquire whether you were a member of the Manufacturers Association? Had you any trouble of that kind?—A. No, I do not think they had to inquire.

By Mr. Knowles:

Q. I suppose you are familiar with the prices there to this day, although you are not in the business?—A. Fairly so.

Q. What do you think is the average profit, gross profit, made by the dealer?—A. You mean the retail dealer?

Q. Yes?—A. I gave that a good deal of study and examination in the last two and a half months, and I think from what I could learn, after making inquiries at the different yards, including Winnipeg and west of Winnipeg, to Frank, Alberta, that the object was to clear at least thirty per cent.

Q. To clear thirty per cent?—A. Yes, clear thirty per cent.

Q. But out of that thirty per cent would come piling and handling?—A. I made inquiries at Winnipeg, and I found that taking the price list as a basis, when you include their finer grades and mouldings, they were clearing about forty per cent.

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By Mr. Lancaster :

Q. Do you mean that now or when you quit it ?—A. That was in December, 1906.

Q. You quit the business in July, 1906 ?—A. Yes, but I made inquiries.

By Mr. Knowles :

Q. Do you mean that they clear that amount above the cost ?—A. I think they would clear about 30 per cent.

Q. You think they clear a net profit of 30 per cent ?—A. I think so, in that neighbourhood.

Q. You mean net profit in your opinion ?—A. I think so.

Q. And you think the gross profit was about 40 per cent ?—A. Yes, I think in that neighbourhood. I made inquiries in Winnipeg, Moosejaw and Medicine Hat.

Q. You are aware that there are large quantities of lumber handled there in the west. What do you think would be a fair profit to make, taking into consideration the vast quantities they handle and other circumstances ?—A. In places where retailers carry or sell on credit, of course, as a natural consequence, they have got to make more money.

Q. Do you think 30 per cent exorbitant ?—A. In places where they have to carry, and I understand some people only settle once a year, and have to pay interest on their money, I do not think that thirty per cent would be out of the way in cases of that kind. But if a man is selling for spot cash and if he gets 20 per cent he could make money.

Q. But in view of the fact that there was a good deal of credit generally speaking, under the ordinary circumstances 30 per cent is not exorbitant ?—A. I would not do it less myself.

By Mr. Schaffner :

Q. You seem to have so many kinds of business that you cannot handle them all. You say you wanted to cut some of them out and you cut out lumber? Why did you leave lumber out ?—A. Because I had not capital enough to carry on the amount of business I had.

Q. You thought it was less profitable than the others ?—A. I was painfully aware of it.

By Mr. Herron :

Q. Had capital anything to do with it ? If you had sufficient capital would you have continued ?—A. I did not have sufficient capital to carry on the amount of business I was doing, not only in the lumber trade but in others.

By Mr. Sloan :

Q. When you were in the sawmill business near Fernie the prices you got were satisfactory ?—A. The prices I got from the mines were satisfactory, inasmuch as it was large material and easily cut. I gave them a low price and I found it paid me better.

Q. You tried to maintain as nearly as possible the list of prices of the Mountain Mills Association ?—A. I did.

Q. And you thought it was a reasonable price ?—A. In 1904 it was.

By Mr. McIntyre (Strathcona):

Q. Some of the witnesses stated that twenty per cent was their gross profit and thirteen per cent their net profit, and they tried to indicate that that was the general average in the province of Alberta. What do you think of that ?—A. I do not believe them.

By Mr. Knowles :

Q. You think in 1904 the millmen were making a fair profit ?—A. Some of them were not making money and some were.

Q. Generally speaking, do you think they were making a fair profit ?—A. In 1904 their profit was scarcely enough.

Q. Do you think they were making an exorbitant profit now considering all the circumstances ?—A. The advantages and disadvantages have to be looked into so much in handling the graded material that it is hard for a man to say unless you examine all the classes of lumber. Now, for instance, along where I was in the eastern part of British Columbia we had very little uppers and consequently we had to get fair prices for rough material. Now, west of that where you get forty-five or fifty per cent of uppers it makes a considerable difference.

By Mr. McIntyre (Strathcona):

Q. I made a mistake there about the profit. Here is the evidence of Mr. McNicol: 'I do not know of any way to reduce below twelve or thirteen per cent, we calculate upon thirteen per cent expenses and seven per cent profit.' What do you think of that ?—A. I do not believe it.

By Mr. Lancaster :

Q. Have you any suggestion to make as to how we could get prices cheaper in the Northwest to the consumer in justice to the retailer ?—A. Yes, and in justice to all concerned. I think if the government appointed some man with the privilege that where he found that there were any exorbitant prices charged they should put him in a yard at the government's expense, put a man to look after it, and charge ordinary prices. Those men have got the country corralled and there is no other way out of it.

By Mr. Sloan:

Q. Who has corralled the country ?—A. Seven or eight of those men, and they are now in a position that they can make all the small men sell to them and dictate to the ranchers. In order to counteract that, if the government appointed a man he could purchase, and those small men would be glad to sell to them and put in a yard where it was found necessary.

By Mr. Herron:

Q. Are you aware that the lumber trade is controlled by a trust or any kind of combination ?—A. I was told by millmen, and from my information up to July when I quit it I knew there was a trust. Whether that trust was ruinous to the man who purchased wholesale is a question that I do not know.

Q. Is it possible between a combination of manufacturers and the direct interests—between them and the retailers to uphold the price of lumber ?—A. Quite possible. The retailers have it in their own hands.

Q. Could the retailers do that if they had not some connection or some interest between the one or the other with the manufacturers or do the manufacturers assist them to carry out their scheme ?—A. Well, it has an interest; there is no doubt about that. I do not belong to either. I could not swear positively, but I am satisfied that it is interested from end to end; but it is the retailer who is reaping the large amount of profit.

By Mr. Lancaster:

Q. When you say it was in the hands of the retailers do you mean that they control the output ?—A. I do not mean to say that they could entirely do it, but the best parts of Saskatchewan, Alberta and Manitoba are taken up. There the best buying trade is by those men who own the yards.

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By the Chairman:

Q. That is line men?—A. Yes. The best parts of the country have been taken up by those line men. A poor man who has got to carry and so on, it is hardly safe for a poor mill man to deal with it, and to-day the small mill man has only that outlook. His business is entirely in doubt.

The committee rose at 1 o'clock, p.m.

WEDNESDAY, April 3, 1907.

The committee met at 3.30 p.m., the chairman presiding.

The examination of Mr. McGuire resumed.

By Mr. Herron:

Q. Before we rose for luncheon we were inquiring about the retailers' association, if you had made any investigation as to whether there was a combination among the retail dealers governing the trade in Manitoba, Saskatchewan and Alberta?—A. Yes, there is a retail association, and the head office is in Winnipeg. It gets everything as far west as Medicine Hat or thereabouts.

Q. When you were in the retail business yourself did you have any trouble in securing lumber for your yards on account of not being a member of the retailers' association?—A. I could not manage to secure it. I could not secure lumber from the wholesalers at that time.

Q. I suppose you mean by wholesalers, the manufacturers?—A. Yes.

By the Chairman:

Q. Because you were not a member of the association?—A. I never learned. I sent in orders to the mills, and one mill owner said he did not think my rating was good enough. I went to the manager of a bank and the manager of the bank wired them, 'Send McGuire all the materials he called for, and we will pay the bills.' Then there were reports came in that there was a car shortage, and it ended in my not getting the order, so I went out of the business. Possibly that was one of the reasons why I quit at that particular time.

By Mr. Herron:

Q. Now, as regards the lumber business of the United States, there is what they call the Inland Empire Association. Have they a perfected association or a combination of any kind?—A. They have the most complete combination upon the earth at this present time. The price of lumber has been raised from possibly—well, in 1904 you could buy for \$10.50 to \$12, laid down in Lethbridge. Now, you could not buy the same lumber for less than \$28, I guess \$25 to \$27, owing to the Inland Empire Pine Dealers' Association; I think that is the title of it.

By Mr. Sloan:

Q. Where do they have their offices, do you know?—A. I rather think it is Spokane; I would not be positive as to their head office.

Q. Do you know if any Canadian manufacturers are associated with it?—A. There are American manufacturers who own Canadian mills that would naturally be associated with it.

By Mr. Herron:

Q. That would, then, have an effect on the lumber trade of the Northwest on account of their combination to hold up prices in that country?—A. Well, it has that effect.

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Q. Naturally, it prevents them from shipping into our market?—A. It has that effect. There has been practically no American lumber come in for some time, because the American lumber on the other side is of greater value than it is on the Canadian side. Of course, the American uppers were always a better value. Now, in 1901, uppers would sell in the eastern and middle states at a high price, and they sold their common stock to the Canadian trade for anything they could get, because the price of uppers paid them for their entire trouble.

Q. Within the last year have you made any inquiries regarding the price of lumber in Winnipeg? Have you any knowledge of the lumber trade in Winnipeg?—A. Well, in December I went through quite a few yards. One yard in particular, the Alexander Black Lumber Company; I had a particular reason to go through this yard because in July, when I sold out, he was telling me that he had made the first year he started the sum of \$65,000 clear, out of a capital of \$38,000, and I thought that I would examine into everything as near as I could. I made inquiries of his labourers and yardmen, and so on. I found that his prices ran nearly on to between 40 and 43 per cent.

By Mr. Sloan :

Q. Is that a retailer you are talking about?—A. Yes, the Alexander Black Lumber Company, Winnipeg.

By Mr. Herron :

Q. That is a pretty profitable business. They turn over lumber, I suppose, five or six times a year in ordinary lumber yards?—A. In the Winnipeg lumber trade it is all looked upon, as I understand it, straight cash. If a man has thirty days he pays interest on thirty days; that is my understanding of the regulations. Consequently the cash prices paid would be probably somewhat less. If a contractor goes to them for sixty days' accommodation, he pays sixty days' interest.

Q. Who made this statement that they cleared a profit of \$65,000 in one year on a capital of \$38,000?—A. I had it from Alexander Black, the president of the company. I met him in Fernie a day or two after I sold my mill out. That would be in July, possibly the 16th or thereabouts; the last of the month somewhere.

By the Chairman :

Q. Last year?—A. Yes, in 1906.

By Mr. Knowles :

Q. You are not sure of that yourself?—A. I am just giving it to you for what it is worth. That is the reason why I took particular pains to try and find out in an indirect way what he was selling for.

Q. Have you any information upon which you could give us an opinion as to how much the average dealer loses in bad debts?—A. There are very little bad debts in the lumber trade at the present time.

Q. How do you know?—A. I do not think they would cover 2 per cent.

Q. How do you know that?—A. My experience was that bad debts would not cover 2 per cent.

Q. Was your experience with the general public?—A. Yes, while I was in the retail trade. I sold to the farmers and sold to contractors, and my experience was that bad debts would not come up to 2 per cent.

Q. That might be explained by your being exceptionally shrewd?—A. Oh, no.

Q. Or it might be the average is less than 2 per cent because other men might be shrewd? It depends upon your shrewdness?—A. I think you would flatter me in that way. You might say it was good luck.

Q. Well, you would not make a general rule from good luck?—A. All I could say is I was lucky if it is not an average.

Q. I think you understand me. It is either more or less than 2 per cent, but it is not very easy to lay down a general rule with regard to one man's experience?—A.

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I believe in country places there is a good deal of trouble in regard to collections and so on, but the fact of many losing money, I do not think the loss would be even 2 per cent.

By Mr. Sloan:

Q. Do you charge interest on overdue accounts?—A. Oh, as a rule; it is only fair.

Q. What do you charge?—A. Eight per cent, when necessary.

By Mr. Lancaster:

Q. Have you any knowledge yourself of how the timber berths are being worked, whether the lumber is being got off in reasonable time or not?—A. The timber berths? Well, in British Columbia; you mean the cost of them?

Q. No, I mean whether you know how they are getting along as far as working them is concerned, getting the timber off for the millers?—A. Well, that I could not give you any idea about, a man would have to go over the ground.

Q. You don't know anything about that?—A. No.

Witness discharged.

Mr. EDWARD E. TAYLOR SWORN.

By Mr. Lancaster:

Q. What is your full name?—A. Edward E. Taylor.

Q. Where do you live?—A. At Calgary.

Q. Are you in the lumber business?—A. I have been, and am supposed to be now.

Q. When did you begin?—A. In the spring of 1904.

Q. You began business in 1904?—A. The spring of 1904, yes. Acting as an agent for lumber mills.

Q. You were not selling then for yourself?—A. Oh, no, I was selling as a lumber agent for manufacturers to yard and contractors.

Q. How are you paid, on commission or salary?—A. On commission.

Q. For lumber mills?—A. For lumber mills.

Q. How many do you represent? More than one at a time?—A. Yes, I represent a mill in the Mountains, I might say a mill that was an independent mill outside of the association.

Q. More than one mill?—A. One mill in the Mountains—that is the Rothesay Lumber Co., and the Ladysmith Company, of Ladysmith. That is a Coast mill.

Q. You say the Rothesay Lumber Company was an independent company?—A. An independent company when I first took hold of it.

Q. And what about the Ladysmith Company?—A. The Ladysmith mill was supposed to be. I soon after discovered they were otherwise.

Q. But it was supposed to be independent?—A. Supposed to be independent when I took hold of it.

By Mr. Crocket:

Q. As a matter of fact it was in the association?—A. As a matter of fact it was, but it was on the black list.

By Mr. Lancaster:

Q. But it was in the Coast Association?—A. Yes.

Q. It was in the Coast Association, and you say was black listed?—A. It was black listed, yes.

Q. What do you mean by that?—A. I mean this: that although they had joined the association they had been selling lumber through myself and through others to contractors and people outside the association, the retail association, and they had been

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consequently black listed for so doing. This, I might say, I was informed by Mr. E. H. Heaps. He himself told me this very same fact; I do not know it.

Q. Heaps told you the company you were working for—?—A. Was on the black list.

By Mr. Crocket:

Q. Was Heaps an officer of the company?—A. He was chairman of the association.

By Mr. Lancaster:

Q. How long were you selling lumber for those two companies, the Rothesay Company—that is the independent company—and the Ladysmith Company?—A. Well, up to the present I am still representing them, but I am unable to do any business for them.

Q. Why?—A. For the reason that I have sold to contractors and consumers, and the trade—that is the people in the yard lines, retailers—will not buy anything from us or through me because I sold to contractors.

Q. When did that come to that head?—A. Within the last twelve months.

Q. About when?—A. Say the beginning of 1906. They tried to put it in force in 1905, but it did not work then.

Q. You worked right along, but you found at the beginning of 1906 you could not sell any more stuff because of what?—A. Because the yards would not buy from me, that is the association yards.

By Mr. Sloan:

Q. You mean the retail dealers in Alberta?—A. Yes, and some of the retail yards, particularly at Calgary, took up my situation there and brought it up before their association meetings. Of course I have no direct evidence of that, but I am pretty well satisfied that is the case, for they made it so difficult that it was impossible for me to do any business excepting through contractors, and I afterwards found I could not even sell to contractors as they would not deliver the stuff to me.

Q. Did any retailer really refuse to buy from you for that specific reason? Tell us what happened?—A. They have not actually stated so, but the fact that I am not able to do business with them is proof to my mind.

Q. If you canvassed me and sold to me up to the beginning of 1906 and then you came along in 1906 and I could not complain of any act or any ill-treatment or any bad terms from you or your concern, would you not get from me my reasons for not buying again?—A. Not necessarily, no.

Q. Did you ask?—A. Well, I tried to inquire, but I could get nothing but turns-down and 'Don't want any stuff.'

Q. Was no one saying anything about the concern that you were working for?—A. Well, I had been told by one or two parties that we were selling to contractors, and of course they did not wish to have anything to do with men who sold to contractors.

Q. Were you selling at the list price of the manufacturers?—A. I was selling at the list price that the manufacturers had authorized.

By Mr. Lancaster:

Q. The association manufacturers?—A. The association manufacturers, yes.

By Mr. Crocket:

Q. Had you, as a matter of fact, sold to contractors at the list price?—A. Yes, I sold right through to them on that basis.

By Mr. Lancaster:

Q. Did any particular retailer tell you why he did not buy from you?—A. The firm of Breckenridge and Lund, of Calgary, was one of them.

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Q. What did they tell you ?—A. Well, he told me that he could not buy through us as we were selling to contractors, that their association was loyal and they would not go outside of it.

By Mr. Sloan :

Q. Breckenridge & Lund, are they retailers ?—A. Retailers and manufacturers.

By Mr. Lancaster :

Q. Did they say anything about your bosses not being in the Mill Association ?—A. Well, I could not say that they did.

Q. Did anybody refuse to buy from you because your bosses—you know what I mean by bosses, the men you were working for—were not in the Mill Association ?—A. No, I could not say so.

Q. You have stated you believe that was the reason they would not buy from you ?—A. I believe that is the reason why.

Q. I think the committee would like to know what you found that belief on because we cannot act on surmises unless there are some facts from which there is a natural inference ?—A. Well, it is an understood rule not to assist a man outside the association any more than they can possibly avoid.

By Mr. Sloan :

Q. An understood rule among the retailers or among the manufacturers ?—A. Both the retailers and the manufacturers, and they try to enforce it to the fullest extent. That I recognize and can quite understand.

By Mr. Lancaster :

Q. Did you have this difficulty at all until 1906 ?—A. I had some of it, but not to the same extent. At the beginning of 1906 it was rigidly enforced.

Q. At the beginning of 1906 ?—A. Yes.

Q. But you were able to do more or less business before that ?—A. Oh, yes.

Q. Was there a rise in price about that time ?—A. Yes.

Q. More than one ?—A. Yes, there were four or five.

Q. Did you raise your prices at the same time ?—A. Identically the same, yes.

Q. Would the refusal to buy from you be because you were not selling at a cheaper rate, that you were not cutting under the mill prices ? Would that be the reason they would not buy from you ?—A. We were not cutting at all.

Q. Would it be that they expected that as an independent mill you would sell cheaper than the Association Mills ? Would that have anything to do with their not buying ?—A. It would have something, yes.

Q. Was it suggested to you, you should sell cheaper ?—A. No.

Q. Then it is the fact that you cannot name anybody who really told you they would not buy from you because you were not in the association or because your employers were not ?—A. I mentioned that one firm.

Q. You said the reason they gave you was that you were selling to contractors ?—A. And we were outside the association.

By the Chairman :

Q. That was Breckenridge & Lund of Calgary ?—A. Yes.

Q. That is the Lund we had here ?—A. One of the members of the firm.

By Mr. Sloan :

Q. With what member of the firm were you discussing this matter ?—A. Mr. James Jaynes. He is the manager of the branch in Calgary.

By Mr. Lancaster :

Q. Do you know of any reason why those prices were raised in the beginning of

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1906? You were selling lumber. What was the reason your employers gave you?—A. The only reason that I know of is that the association assisted them to do so.

Q. The association, what?—A. The association had assisted them to raise the prices, and as they were all together in one body the one price prevailed all the way along. There was some slight increase of course in the cost of production, but nothing like the same proportion that was raised.

Q. Do you know that yourself?—A. I am pretty well satisfied that is the case.

Q. That the cost of production was in no way to be compared with the amount of the rise?—A. No, nothing like it.

By Mr. Sloan:

Q. How do you know that?—A. I know that by men that I have had letters from, and I have got one letter here now from a man that you know well, Mr. Sloan, Mr. Degnen, of Gabriole Island, B.C.

By Mr. Herron:

Q. What is the date of the letter?—A. February 16, 1907. This is the letter (reads):—

EXHIBIT No. 85.

' E. E. TAYLOR, Esq.,

' Calgary, Alberta.

' DEAR SIR,—Yours to hand some little time ago, but have been very busy.

' I was very glad to hear from you. As regards the prices of logs: 1903, \$3.50 per 1,000 feet to \$5 for first-class; 1904-1905, about the same. In 1906 logs went up. Ordinary logs, \$6.50 per 1,000 feet, first-class, \$8. In 1907, first-class, \$9 to \$12 per one thousand feet. This for logs. Cedar is not as high in some of the mills.'

By Mr. Fowler:

Q. Is that Coast logs?—A. Coast logs.

By Mr. Sloan:

Q. That is a rise of \$8.50 per thousand for logs. Has lumber increased that much per thousand?—A. In some cases lumber has increased to as much as \$10, particularly uppers.

By Mr. Fowler:

Q. What do you say as to the causes of that increase in the price of logs?—A. Well, the increase in the price of logs was largely caused by a loggers' association at the Coast, who buy all the logs that are thrown into the open market, and the result of that is they are bought at a low price and sold at a high price, largely for the reason that they are held and stored, and 'if you don't like to buy them you don't need to; I can cut them up for my own mill.'

Q. I would like to get your views as to whether the price of lumber is unduly high on the prairies?—A. On the prairies?

Q. Yes, having regard to all the circumstances. Having regard to the price of every other commodity, having regard to the increased price of labour as well as other things that go into the production of lumber, in your opinion is the price unduly high?—A. I certainly think it is. The retail price is very high.

Q. You say the retail price is unduly high?—A. I think so, yes.

Q. Now, sir, who is getting too much profit?—A. Well, I will tell you. I think the retailer is getting a profit of from 10 to 15 per cent higher than he ought to get.

Q. What profit is he getting?—A. I should say on the average about 40 per cent.

Q. You are speaking of the gross profit now, of course?—A. I am speaking of the gross profit.

Q. What should he get?—A. I think if he got 20 per cent he would be pretty lucky.

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Q. He would be getting a fair profit?—A. Yes.

Q. Then, in your opinion the price is unduly enhanced by reason of the high profit which the retailer gets?—A. Yes.

Q. That is where you think the fault is?—A. I am also of the opinion that the loggers' association at the Coast—Mr. Emerson is the leading man in that association—

Q. That is the gentleman who gave evidence the other day?—A. Yes, and a man of a very great deal of means. A man that picks up all the logs that are offered for sale in the country. He is buying logs at from \$6.50 to \$8 to my own personal knowledge—I have run across it in several cases—and he is retailing those logs to manufacturers at as high as \$12 and \$14. I was at Vancouver last spring, a month later than this, when Mr. Emerson told me from his own mouth in his own office that he had sold a boom of logs that day for \$14 a thousand that cost him \$7. That was making 100 per cent out of that particular boom of logs. Of course that was an exceptional case.

Q. You do not think the mill men are getting too much profit?—A. In some cases they are.

Q. In some cases?—A. In some cases, yes, but the association price makes it so that they are all equalized to a certain extent.

Q. And that average is what?—A. As an average I think they are a little above the mark.

Q. You think they are a little above the mark?—A. I think so, yes.

Q. Then on the average you say the mill men are getting too much?—A. I think so. I think they are all getting too much right down the line. It starts with the man who owns the timber berths.

Q. You think he is getting too much?—A. I think there is too much speculation in timber berths myself. A man makes money out of timber berths and it is eating up the profit that ought to be made out of the lumber.

Q. What would be your suggestion as to the remedy? Would you prevent men speculating in timber berths?—A. I would prevent speculation in timber berths.

Q. How would you prevent that?—A. Well, I think one way to do that would be to force every man who owns a timber berth to operate it; cut his timber and put it on the market.

Q. Yes?—A. Force them all to operate and eliminate everything in the way of speculation in timber limits.

Q. That is a man cannot hold a timber berth for a rise in price, but must operate or let the license go back to the Crown?—A. Yes.

By Mr. Herron:

Q. Who furnishes the money for the logging business? Is it furnished by private individuals or by some of the millmen?—A. Do you mean the Loggers' association?

Q. I mean the control of the logging business. That is buying the logs from the small loggers and getting them together and offering them for sale? Who raises the price?—A. Well, as my knowledge goes, Emerson is the man who controls the logging situation at the Coast.

By the Chairman:

Q. It is an association, I suppose?—A. Yes, he practically controls the whole situation there. He is a man with a great deal of means, and he can buy every log that a logger brings into the market, and he simply forces them to take whatever he sells.

By Mr. Sloan:

Q. Surely the manufacturers are in a position to buy their own logs?—A. The manufacturers are buying very few logs from the loggers themselves.

Q. They can get out their own logs themselves if they want to?—A. And the large per cent of them are doing so.

By Mr. Fowler:

Q. I am anxious to get your views with respect to the remedy. You have said that the manufacturer on the average is getting too high a price, and that one reason for the enhanced cost of lumber is the speculation in timber berths. Would you shut that off altogether?—A. I certainly would.

Q. Would you shut off the speculation in farm lands as well?—A. I think it were better if it were done, yes.

Q. Your idea is a somewhat socialistic idea?—A. Well, to a certain extent it is so, yes.

Q. No man should share in the unearned increment?—A. I think that is the correct way of doing it, although I don't practise it myself, and I don't intend to unless I have to.

By Mr. Knowles:

Q. What would you mean by compulsory operation, that they should operate to their full capacity?—A. I think that every man who owns a timber limit should be forced to cut and mill that timber and place it on the market.

Q. Do you think that is feasible?—A. I certainly think it is feasible.

Q. Is it feasible that all the men who own timber limits should manufacture to the utmost capacity of their mills, regardless of the demand?—A. I think it is.

Q. If you had invested money in the lumber business in British Columbia or anywhere else, would you think that was a fair interference with your rights?—A. I will tell you what would occur.

Q. Yes?—A. If not able to operate themselves they would not take them up. The berths would not be so valuable and the government would not get so much for them.

Q. You are referring to those who have their money already invested, are you, or are you referring to the future?—A. It will prevent a great many men buying timber limits. They won't buy the timber limits because they cannot put their money into it.

Q. Your remedy, or the remedy you suggest, would affect the men who have put their money into it?—A. Yes.

Q. Having put their money into the business you would require them to manufacture, although so much lumber may not be required for five years?—A. I would force them to manufacture to meet the demand every year.

Q. Regardless of the demand, you would force them to manufacture?—A. Yes.

Q. Do you think that is in the public interest?—A. Those men who owned timber limits would give them up in that case. If they could not do so they would dispose of them cheap, or they would revert to the Crown.

Q. Take the timber in British Columbia, you are aware that the control of that is vested in two governments?—A. Yes.

Q. You are aware that the timber in the forty-mile belt on each side of the C.P.R. belongs to the Crown, and the rest to the province of British Columbia?—A. Yes.

Q. With regard to that under the control of British Columbia, your remedy would be the same as in the case of the timber in the forty-mile belt?—A. Exactly, yes.

Q. You are well aware that we have no power over that?—A. I know that it is so. As to that I cannot suggest a remedy except that local government of British Columbia takes the matter up.

By Mr. McIntyre (Strathcona):

Q. You would know, there is a regulation to that effect in force now?—A. It is not practised.

Q. It may not be but the regulation is there.—A. I say enforce it. If it had been in force before this, this would not have occurred.

By Mr. Lancaster:

Q. I understand you to say you think that the retail lumber dealers...

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profits?—A. I think he has in quite a number of cases. I have got one case here and I would like to refer to it.

By Mr. Fowler :

Q. What would Mr. Watts say as to that?—A. Mr. Watts told me himself that he has made money from the start. He never lost money any years that he was in the lumber business. Now, I have got a case here, I don't propose to mention the names, but I will give you the facts. A timber limit that was offered for sale, and which I am endeavouring to sell, one of the inducements for its sale is an estimated profit per day of from \$8 to \$10 a thousand.

By Mr. McIntyre (Strathcona):

Q. An estimated profit per day?—A. Per thousand. That is eight hundred to a thousand dollars on 100,000 feet cut.

By Mr. Fowler :

Q. That is \$8 a thousand?—A. That is \$8 to \$10 a thousand.

By Mr. Sloan :

Q. That is a prospectus?—A. That is a prospectus, yes.

Q. Might it not be possible that a man would make from \$8 to \$10 on a certain cut of lumber and yet on the whole of his business would not make anything like that?—A. Oh, yes.

Q. For instance, he might get hold of an exceptional piece of lumber. I know of a case in which, when the great majority of lumber mills in British Columbia were losing money, one mill made 50 per cent. They got a snap in a piece of timber that they bought and they were able to do it. There were certain conditions that allowed them to do it?—A. Those conditions prevail in all lines of business.

By Mr. Lancaster :

Q. Might not a case happen where a man would get hold of a lot of logs under some lucky arrangement by which his cost would be 30 or 40 per cent less than that of his competitors?—A. I don't think you can figure that on the lumber business, Mr. Lancaster. Those cases are very exceptional if there are any.

Q. Is that not one of the incidents of speculation?—A. Yes.

Q. Can you suggest any way by which the cost of production could be decreased?—A. No, I cannot suggest any way at all, except doing away with the speculation in timber berths. I think that would have a great deal to do with it.

Q. They use the most economical machinery I suppose?—A. In some cases. Some mills have put in machinery that has been badly bought and is not suitable for their logs which has necessitated extra cost in buying new machinery, and a great many who have gone into the milling business are not experienced men.

Q. I am going to put a question to you, but if you do not wish to answer it I will not insist. What commission did you get for selling this lumber as long as you did sell it?—A. When I first started I got \$15 a car.

Q. \$15 a car, how much would that be a thousand?—A. That would be 75 cents a thousand. It has now dwindled down to \$10 a car; that is 50 cents a thousand.

Q. They are paying less to their agents than they used to?—A. They are paying a less amount to agents and they cut me down on line yards to \$5 per car.

By the Chairman :

Q. \$5 per car?—A. \$5 per car, that is 25 cents per thousand.

By Mr. Sloan :

Q. Did you give any discount to the line yards, off the list price?—A. \$10 a car.

By the Chairman :

Q. That was the rule, was it ?—A. That was the rule.

By Mr. Lancaster :

Q. How much ordinarily would you sell during the week on which you got 75 cents a thousand?—A. It varied. I spent but a small proportion of my time selling lumber. I had other business and I simply used this as a side line.

Q. How much would you make at the time you spent selling the lumber on which you got 75 cents a thousand ?—A. My commissions have averaged me in selling lumber about \$600 a year.

Q. How many days would you work ?—A. I don't suppose I worked more than two months actual work. I just fitted it in here and there wherever I happened to be.

By Mr. McIntyre (Strathcona):

Q. Do you say that speculation in timber berths is the greatest evil in raising the price of lumber?—A. I consider it one of the greatest evils.

Q. You suggested the scheme, did you not, of cutting a certain proportion of the berths every year? That was a remedy?—A. Yes.

Q. Would you do away with the loggers altogether, with the business known as loggers?—A. Those men would be employed in the cutting of that timber, would they not?

Q. Quite so. Then in a position such as we have in the north country where there is no such occupation as logging no man could buy a timber berth who had not the capital to put into it. That is your suggestion?—A. Yes.

Q. You would allow no poor man to go into the lumber business?—A. Not necessarily.

By Mr. Lancaster:

Q. Did you say to Mr. McIntyre, of Strathcona, that every mill owner should own his own berth?—A. Should own his own berth.

Q. That is your opinion?—A. Yes.

Q. As Mr. McIntyre, of Strathcona, has said, you would be keeping some men with small capital out of the business?—A. Not necessarily.

Q. Besides the capital involved for his machinery and mill operations he would need sufficient timber berths to ensure a supply for his mill, and that would cost him a good deal of money would it not?—A. It would then put people into that business who were able to handle it.

By Mr. McIntyre (Strathcona):

Q. That is just the point I wanted to make?—A. Yes.

By Mr. Fowler:

Q. You say you would not let a man have a mill unless he owns his berths. Surely you do not mean that?—A. As long as he cuts the timber on the berths.

By Mr. Lancaster:

Q. Let me understand you upon that point. You say that men keep logs for the purposes of speculation in order to await a rise in price?—A. Yes.

Q. He may say, 'I am going to hold these logs until the price goes up.' And that is why you say the same man who owns the mill should own the berths. That would mean he would have to be a capitalist to go into the business?—A. Let him be a capitalist.

By Mr. Fowler:

Q. That would be very paternal legislation?—A. It might be

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By Mr. Lancaster:

Q. What do you say about that?—A. Most mills own their own limits of course, but there are a great many persons who own limits and don't own their own mills and don't operate any.

By Mr. Sloan:

Q. Do you know of any mills that do not own their own timber limits?—A. No, I do not.

By Mr. Lancaster:

Q. Then I do not see the force of the suggestion you made, if the mills own their own limits?—A. On the other hand there are speculators who own timber limits that don't operate them.

By Mr. Herron:

Q. There are a lot of mill men who own their own limits but are not cutting their timber?—A. Buying logs from outsiders? I don't blame them for that.

By Mr. Fowler:

Q. What you say is absolutely true, and I think I would be safe in stating that of the timber in the forty-mile belt at least 25 per cent is held by speculators who have not mills but are holding for a rise in price?—A. And do not intend to put up a mill either.

Q. They will sell when the price goes up.

By Mr. Herron:

Q. The fact of the matter, witness, is this: It makes no difference to the manufacturer whether he cuts his lumber himself or whether he buys the logs; through the combination he is going to get his profit anyway at the present time?—A. Exactly.

Q. And as I claimed from the beginning, and still think, it is through that combination they are getting that profit on any business they are doing. It is this combination which is responsible for the price that lumber is sold at?—A. Certainly.

By Mr. Lancaster:

Q. Is that price an undue one from your standpoint? They have, of course, a perfect right to protect themselves from insolvency?—A. Certainly.

Q. Is that an undue price?—A. I will tell you what I complain about. There are a great many kinds of timber in that country which is classified in a great many different ways, and the conditions are different with a large number of mills. Some make a profit and others do not make a profit. Some are making exorbitant profits, but they are largely governed by the conditions surrounding them.

By Mr. Herron:

Q. Are they not governed by the association?—A. The combine makes one price for them.

By Mr. Crockett:

Q. Is that price an undue price?—A. I think it is.

Q. To what extent?—A. I think it is undue to the extent of about \$4 a thousand.

By Mr. Lancaster:

Q. How do you arrive at that?—A. From the cost of logs and the cost of milling and the cost of selling, I would certainly think it is \$4 too high.

By Mr. Fowler:

Q. And you think the miller gets \$4 a thousand too much?—A. I do, yes. That may not be so in all cases.

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Q. On the average?—A. I know men that are losing money and men that are making big money. It is just the same with the grocery business or any other line of business. The conditions don't always suit your surroundings and may be you have to fail.

By Mr. Crocket :

Q. Well, you say that \$4 is too high; is that the miller's price?—A. That is the miller's price.

Q. And what do you say as to the retailer's?—A. I said I thought it was from 15 to 20 per cent too high.

By Mr. Lancaster :

Q. I would like to know how you arrive at this \$4 a thousand. Some of the mill men say they make 70 cents a thousand?—A. I don't think it is correct, and I am perfectly satisfied it is not. I think the average cost of logs, as far as I can find out, and I have made a great many inquiries, is from \$7 to \$7.50 in the Mountains.

Q. You say the logs cost \$7?—A. \$7 to \$7.50, and the cost of milling is about \$2.50.

Q. That would give \$10?—A. That would give you \$10 outside of—

Q. What do you say they sell for?—A. That would all depend on what it is.

Q. You have given us two items, cost of logs \$7 to \$7.50, and cost of milling \$2.50, that makes \$10?—A. You have got to get at the average cost of what you get out of the log, considering your uppers with your boards and dimensions, and I think that you can safely say \$20 to \$22.

Q. That would give \$20 to \$22 out of that \$10 worth of stuff?—A. Yes.

Q. At the mill?—A. Yes, of course, that won't be so in all cases, because some mills get more uppers than others, and a great many just get dimensions and boards.

By Mr. Sloan :

Q. According to the evidence we have heard, the average price in the case of four mills in 1905 is less than \$14?—A. In 1905.

Q. Yes, here is one at \$11.75?—A. I am speaking of present conditions.

Q. What has been the increase since 1905?—A. Since 1905 there has been an increase of from \$6 to \$10 a thousand.

Q. I see in the evidence one mill where the average cost in 1906 was \$15.46 and another one where the total cost is \$14.60. Now, if you were to knock off \$4 those men would be in pretty bad shape. Are these mills managed by people who are incapable of running the business? Are they paying too much for logs and mill charges?—A. No, I do not think so, but I think some of them are capable of making figures that are not correct.

Q. These are the sworn figures of the auditor of the Mountain mill men. Are you prepared to dispute them?—A. I don't think they are correct.

By Mr. Lancaster :

Q. They are lower both in the cost and in the selling amount. Take the G. H. Mountain Lumber Company?—A. I am taking the average.

Q. The lumbermen in that company say they realized in 1905 only \$11.57 a thousand feet, taking the good and the bad, which would give them a profit of 17 cents on a cut of 8½ million feet. Now, you think they would be getting a profit of 20 per cent, or \$2 a thousand, off the logs?—A. I think, taking the average right through, they do. For instance, you take ½-inch siding, these people manufacture it for about \$12 or \$14, and they charge you for inch siding; they get two boards for one. They actually get \$60 for that siding ;two boards for one.

By the Chairman :

Q. They sell you half inch?—A. They sell you half inch and charge you for inch, and the only difference between the inch and the half inch is in the cutting

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By Mr. Sloan :

Q. And the milling and the planing?—A. The same applies to half inch ceiling stuff.

By Mr. McIntyre (Strathcona) :

Q. Half-inch material, I think, if you would look up the Mountain price list, is \$5 a thousand?—A. They add \$5 a thousand, yes, but I don't think it is necessary to add \$5 a thousand to do that.

Q. Then, if I am to understand you, you are prepared to dispute the figures put in by the auditor of these companies? That is the position you are assuming at this investigation, is it?—A. I could not actually prove that, because I have not the statistics of manufacture to do so.

By the Chairman :

Q. And you do not know the mills, of course?—A. No.

Q. Those are not designated?—A. Well, I have sold to them. I am largely supposing that these are facts.

By Mr. Sloan :

Q. There is not a mill here (in the evidence) showing a profit in any case of even \$4 a thousand?—A. You have got some cases there where they are not showing any profit. They are making money some way or other.

By Mr. Lancaster :

Q. Their average selling price for the whole of 1906 was \$17.80. There is a difference of \$7 or \$8 from your figures?—A. Take their present figures.

Q. They give all their figures for the year, from January to December, and the average selling price for the twelve months is \$17.80. That is 'W.' Coast Lumber Company?—A. Part of that is explained this way: Many of these orders were carried over from the year before and filled at the price list previous to the time of delivery. It is now that these people are getting their big harvest, do you see. They did not gain it up to the middle of 1906.

Q. Why did they decrease the price they paid to commission men like yourself in 1906?—A. Why did they do it? Because it was a case of grab everything they could get hold of. 'We have got the opportunity and we are going to take advantage of it.'

Q. How had they the opportunity?—A. They had the opportunity after they were fully associated, and there was no question of getting past it.

Q. No difficulty in making sales?—A. They did not have to use agents any more.

By the Chairman :

Q. The demand was so good?—A. The demand was greater than the supply. They got arbitrary with you. I know the year before they were mighty glad to give me \$15 a car to sell their lumber.

By Mr. Lancaster :

Q. \$15 a what?—A. \$15 a car.

By Mr. Sloan :

Q. In a case of the lumber you contracted to fill from the Coast, you had a good deal of difficulty in getting delivery?—A. In some cases in the last twelve months that has been so.

By Mr. Lancaster :

Q. Why was that?—A. Because there was a great demand for lumber, and there was not as much as would meet the demand. More than that, I had been largely selling

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to contractors, and they did not want to handle that business, and they made every possible excuse in order to make it as hard for me as possible.

By Mr. Sloan:

Q. At page 237 of the evidence I see a letter addressed to you which states: 'Your favour of the 8th inst. *re* McNeil order received and noted.' Who is the McNeil mentioned there?—A. J. C. McNeil is a contractor in Calgary, a very large contractor there.

Q. The letter goes on to say: 'We regret to say that we cannot comply with your request to extend time of payment as we (also all the mills) have given an affidavit not to vary prices or terms of payment.' You were asking evidently to extend the time beyond what the list called for. Is that what I am to understand from this?—A. Yes.

Q. You were asking for a further thirty days and they refused it?—A. They refused it.

By Mr. Herron:

Q. How many retail yards have the manufacturers throughout Alberta?—A. Throughout Alberta?

Q. Yes?—A. Well, I have not really counted, but I should think there would be between sixty and eighty.

By the Chairman:

Q. What is called line yards?—A. Not specially line yards, some of them may be line yards.

Q. I mean do these line yards do business in the best centres?—A. In the very best centres they do, particularly Calgary and thereabouts. The Staples Lumber Company are controlling that lumber market and are very arbitrary, too, with everything they do.

By Mr. Schaffner:

Q. And the line yards do not particularly belong to manufacturers?—A. People outside the manufacturers have line yards.

By Mr. Sloan:

Q. The Ladysmith Lumber Company, whose letter I was quoting a minute ago, never gave any other reason for refusing McNeil to extend the time of payment?—A. Oh, yes, they did previous to that.

Q. Have you got anything to show that?—A. I think I have. I might say I had to turn Mr. McNeil's order through another lumber dealer in Calgary, another manufacturer, in order to get it delivered at all. It had to be turned through the Western Planing Mills Company.

By Mr. Lancaster:

Q. Are they members of the association?—A. They are manufacturers, but they are not members of the association.

By Mr. Sloan:

Q. Why did you have to turn it over to them?—A. So as to avoid the fact of having sold direct to a dealer.

Q. Yes, but the Ladysmith Lumber Co. had evidently been supplying McNeil, and this letter says they refused to extend the time of payment?—A. That was in that particular case.

By Mr. Lancaster:

Q. What was preventing you from selling to a dealer?—A. What was preventing me? The association was preventing me.

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Q. Was the dealer not a member of the association ?—A. This contractor was not a member of the association, no.

Q. Do you mean a dealer or a consumer ?—A. I mean a contractor.

Q. You said dealer ?—A. It was a dealer in this particular case.

By Mr. Sloan :

Q. Have you got anything to show that the Ladysmith Lumber Co. refused to sell to contractors ?—A. I think I have. I might say when I was first put on the road I was given a contract, and this little book here of the Western Retail Lumber Dealers' Association, containing the names of members, was placed in my hands. These were the only people I was supposed to sell to outside some local contractors at Calgary—I had authority to sell to them.

Q. Had they delivered your orders up to the time this order was refused ?—A. Up to the time of this last letter read here.

By Mr. Lancaster :

Q. What mill was this ?—A. The Ladysmith Lumber Company.

By the Chairman :

Q. I understand you were only to sell to certain people ?—A. Yes, but they did not tell me the reason why.

By Mr. Sloan :

Q. You did not carry out your instructions ?—A. The first trouble I had was with a man by the name of Anderson. This man Anderson had discovered in some way or other that I was selling to contractors, and he wrote to me that he wanted to buy three or four carloads of lumber.

Q. Was Anderson a retail dealer ?—A. He was a sort of retailer and large farmer up there. I took his order and it was filled, and the letters that followed—I will just read some of them. I think I have got them here (after making search). I do not seem to have that letter with me. It stated anyway that the first snag we will run up against was this man Anderson of Bowden, and for the time being not to handle any more of this particular class of business, that the association had taken it up. Here is the letter. It is dated June 14, 1904. (Reads) :

EXHIBIT No. 86.

E. E. TAYLOR, Esq.,
Calgary, Alberta.

DEAR SIR,—We have had the first kick from the association in Bowden, and we expect there will be the old fellow to pay when we ship the other orders. Don't sell any more at Bowden at present until we see what is the outcome. We will rush your orders through as fast as possible, but get good men or none.

Yours very truly,

THE LADYSMITH LUMBER CO. (LTD.)

(Sgd.) John W. Coburn,

Managing Director.

By Mr. Lancaster :

Q. Was there a series of letters about that or is that an isolated letter ?—A. That is an isolated letter.

By Mr. Sloan :

Q. Evidently the Lumber Company were prepared to supply you if it were not for fear of the retailers ?—A. For fear of the retailers. This is the company, I might say, by-the-by, that was black-listed by the Coast Association because we broke the rule and sold to outside. to contractors in several cases.

By Mr. Lancaster :

Q. At that particular time you were not doing it?—A. At this particular time we were not doing it.

Q. You were told not to, you were told to stick to the association apparently?—A. Not at this particular time. This is in 1904 you know.

By Mr. Sloan :

Q. Where did you get this list of dealers?—A. That is the time I first started out, in the beginning of 1904.

By Mr. Lancaster :

Q. Then from the association's standpoint they started you out right?—A. Yes, they started me out right and gave me authority to sell to local contractors. At that particular time they could not sell as much as they were manufacturing, and they were very glad to get that class of business, and did not expect, no doubt, that that clause of the local association would be placed upon them.

Q. Did they ever sanction your breach of the rules of the association that got them black-listed or did you do it in your energy to sell goods for them?—A. I did it with their consent and also in my energy to sell goods for them. I tried to sell where I could.

Q. And you being their agents, they were black-listed?—A. Yes.

By Mr. Sloan :

Q. They continued to fill your orders until such time as they were called on by the Western Lumber Dealers' Association?—A. And they continued to fill orders even after that.

Q. After they were called down?—A. Yes, but they did it this way : they left their Ladysmith mill outside of the association and Mr. Coburn had bought another mill at Nanaimo, and any orders that were turned down by the mill outside of the association were sent in to the other mill so they handled both inside and outside of the association.

Q. It was a case of 'heads I win, tails you lose'?—A. Yes. 'If you black-list this mill we have another mill to fall back upon.' Mr. Heaps, Vancouver, was largely instrumental in putting this mill on the black-list.

By Mr. Herron :

Q. Mr. Heaps in his evidence stated that the association never prevented a manufacturer from selling to any person?—A. They did everything in their power to do so.

By Mr. Lancaster :

Q. Is the Ladysmith Company doing business now?—A. Yes.

Q. Without agents?—A. Well, yes, they are doing it without agents.

Q. Are they members of the association now?—A. Well, I really don't think they are at the present time.

Q. Then the combination, if there is one, is not preventing them, as far as you know, supplying goods?—A. The conditions were made so hard for me during the last six months—practically the last twelve months—that I have practically not done any business, and I have not kept in touch with them.

Q. Then you don't know?—A. I do not know. It may be that they have reinstated themselves and are in good standing.

Q. Do you know whether they are supplying lumber, doing business right along?—A. They are selling lumber all the time.

By Mr. Herron :

Q. Did you ever receive orders to any _____

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deliver the goods?—A. Oh, yes, I have sold lumber during the year. I must have sold 20 or 30 carloads of stuff.

Q. That you were not able to fill?—A. Not able to fill for the reason they were outside of the association.

By Mr. Sloan:

Q. Have you got anything to show that? What is your reason for making that statement?—A. I can show you copies of orders.

By Mr. Herron:

Q. If you have copies of orders you might submit them?—A. I may say that the last orders I took for contractors in Calgary, in order to get them filled, I had to turn them through a local dealer. I went about among the local dealers in Calgary in order to get one that would handle these orders, and in every single case they told me they would take the order but they would deliver it only at their retail prices. I finally got one man who broke down the bars, and the stuff was delivered at local prices, but he gave a rebate equal to the amount between the retail prices and what he sold at, \$1 a thousand, which would be equal to \$10 on the car.

Q. I think you were here when I made a reference to a letter that appeared in the public press from a manufacturer to a retailer stating that he would not sell to a man unless he was a member of the Retailers' Association?—A. Well, I saw a letter in Calgary before I left addressed to a retail yard, and it was from Peter Lund himself.

Q. Signed by Peter Lund?—A. Signed by Peter Lund.

Q. What was the purport?—A. He stated they had entered into an association, and each of them had put up \$1,000 deposit as a guarantee that they would keep faith, that the association would sell only at list prices and to dealers, and break no terms or arrangements made by the association.

By Mr. Fowler:

Q. This was by letter?—A. This was by letter.

Q. Have you got that letter?—A. That letter I could not get; he would not let me have it.

By the Chairman:

Q. You read it?—A. I read it myself, and it is a local dealer in Calgary who now has it.

By Mr. Herron:

Q. Was that the reason given in this letter why he would not sell you this lumber?—A. It was not sold to me.

Q. To this other man. What concessions did he ask for?—A. This other man has been constantly kicking about the price of lumber. He thought it was too high, and he wrote this mill to say the situation he was in, and it was impossible to alter it, and quoted this statement. I do not care to mention names, because it would rather embarrass the local man seriously, but I might say that this local man showed me invoices which went to show that one year ago he paid \$14 a thousand for timber and the same timber to-day is sold for \$22, making a difference of \$8 a thousand inside of twelve months. I saw those invoices.

Q. Do you think that it is general?—A. I think that is pretty general, yes.

By Mr. Fowler:

Q. On the whole, do you think the retailer is getting 15 to 20 per cent too much, and you think the manufacturer is getting \$4 too much?—A. I did not say \$4.

By Mr. Lancaster:

Q. You think the miller is getting \$4 too much profit?—A. In some cases he is getting \$4 too much, but on the average I should say \$2.

Q. I understood you to say \$4?—A. Oh, no.

By the Chairman :

Q. Here is something I got this morning, and I would just like to show it to you to see what you think about it. I do not know this man, but he sends me in pencil his own price list, giving the cost delivered at his own station. Just look at the first item (handing document to witness)?—A. That is the Reston price list.

Q. He says there his price for that \$21 stuff is \$31. What do you think about that?—A. \$31? What is the cost at this particular point; where is Reston?

Q. He says, 'A 19-cent rate delivered at your station'?—A. Well, a 19-cent rate would be——

Q. You don't add anything to that, that is the delivered price f.o.b. at your station. You see it marked there?—A. This is the retail price.

Q. This is his price according to his own story?—A. That stuff cost him \$27.50.

Q. No.—A. Yes.

Q. How do you make it out? It is \$21. It is the first item on the bill?—A. No, that is a six-cent rate. There is the rate, indicating on the price list, this is the six-cent rate. Do you see the figures 8, 10, 12?

Q. There is no such rate as a 24 or 6-cent rate into Manitoba from Rat Portage?—A. That may not be.

Q. Then how can you say that if there is no such rate as a 24-cent rate or a six-cent rate, the average rate is about 19 cents?—A. 19 cents, and he means it comes in for 18 and 20.

Q. Oh, no?—A. I think you will find that is what it is.

Q. There is no such rate as a six-cent rate into Manitoba from Rat Portage?—A. I think you will find that is the rate.

By Mr. Herron :

Q. The cost of supplies that went into the production of the lumber you are handling up to about the 1st of January must have been the rate which prevailed during the winter of 1905-6?—A. Yes.

Q. No one complained about the unusually high prices in those years, but the manufacturer claims that in 1906 wages and the cost of supplies, such as horses, grain and things of that kind went up. Now it continues on, and the cost of logs produced during the winter of 1906-7 increases proportionately the cost of next summer's supply, that is, the summer we are entering on. Now, there is no telling where it is going to end?—A. As far as I can see, the mill man intends to get from \$5 to \$6 a thousand more than he is getting now. I know that is the way they talked.

By Mr. Sloan :

Q. On the Coast they log continuously?—A. It is not so at the Coast, but in the Mountains they get their supply for the following year. A short time ago Mr. McKenzie, of the Great West Lumber Company of Red Deer, came into my office and wanted to sell \$50,000 worth of stock in his company. The figures he gave me I took down while he was in the office. He stated that his company was capitalized for \$750,000—no, capitalized at \$500,000, and the assets of the company were worth \$750,000 to-day—that they had \$200,000 in it between them, \$100,000 a piece—and the assets were composed of mills, timber limits, cattle, horses, implements and stock-in-trade. They have got \$200,000 issued of stock. He stated as an inducement to buy \$50,000 worth of shares that their cost last year for timber, logged and driven down the river and cut at the mill and stacked was \$4.75 a thousand.

By Mr. Sloan :

Q. Where is this mill?—A. At Red Deer.

Q. Red Deer, Alberta?—A. Yes, they sold their output last year to the Staples Lumber Company for \$18 a thousand. This year they have sold for \$22 a thousand.

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By Mr. Fowler:

Q. He said it cost them how much to cut the lumber in the woods, drive it down the river to the mill, cut it in the mill and pile it in the yard?—A. \$4.75.

Q. Does that include planing?—A. No, that is the rough lumber.

Q. \$4.55?—A. No, \$4.75.

By Mr. Lancaster:

Q. They sold it for \$18 a thousand?—A. They sold it for \$18 to the Staples Lumber Company.

By Mr. Sloan:

Q. Was he trying to sell stock in that company?—A. He was.

By Mr. Fowler:

Q. What was he asking, 50 cents on the dollar?—A. Asking 100 cents on the dollar.

Q. Par?—A. Par, yes. He guaranteed they would pay 25 per cent on the stock this year.

Q. What did he want to sell the stock for?—A. For the reason that they were limited for means. They had used their bank for all they were worth, and it required considerable money in order to get out the logs and prepare for the season which was coming on, and to cut them.

Q. I think he must have been a good liar. There is not a bank in Canada which would not have backed him if he could make that showing?—A. Those are the figures he gave me.

Q. I don't doubt your word, but I think he is a liar?—A. I don't know as to that.

By Mr. Lancaster:

Q. He told you he wanted this money to develop?—A. Yes.

Q. Did you ask him if he could not borrow?—A. I learned from him that his bank had loaned him \$50,000.

By Mr. Fowler:

Q. Do you want to make any statement?—A. I am not ready to make a statement. I have a lot of stuff here. I might say that I would like to get away as soon as possible, as my time is precious. I have got three letters here, three circular letters, which affect considerably a matter which took place here before in connection with Mr. Becker and the association meetings. These letters are largely explanatory of those particular meetings. One is in regard to the Elk Lumber Company (reads): 'The Elk Lumber Company have agreed to stand by the two associations and will in future ship lumber to none other than legitimate dealers.'

By Mr. Lancaster:

Q. I think we have had that early in the investigation?—A. I don't think you have had that at all.

Q. We have heard that language somewhere?—A. You have had it from other letters. These letters are of no use to me and you can have them. They appear to be in answer to many of these other questions that were raised. I might say that each one of these circular letters was marked 'strictly private,' so that they would not get outside of the association.

Mr. LANCASTER.—I am afraid they are not strictly private now.

The committee adjourned.

THURSDAY, April 4, 1907.

The committee met at 11 a.m., Mr. Greenway, chairman, presiding.

The examination of Mr. E. E. Taylor resumed.

By the Chairman :

If you have a statement to make we shall be pleased to hear you.

The WITNESS.—I wish, Mr. Chairman, to place this catalogue of sash and door mouldings, which I now produce, in your possession as an exhibit. It shows there has been an advance of ten per cent. That is from the Heaps Company. This is the regular discount here (indicating the document.)

Catalogue filed and marked as Exhibit No. 87.

By Mr. Sloan :

Q. Is that a trade discount sheet?—A. That is the regular list. The goods are sold on discount.

Q. This statement of discounts will form part of the exhibit?—A. Yes. I am putting that in to show an increase in the price of mouldings of ten per cent.

By the Chairman :

Q. I was under the impression that you desired to make a statement to us?—A. Well, I don't know what you refer to exactly.

Q. I thought you said so last night?—A. I said I had a lot of data here, but I did not say I had any special statement to make.

Q. Have you any statement to make with reference to what data you have?—A. Any statement I have to make will be verbal of course.

Q. Is there anything you wish to state?—A. Are you ready to go ahead and take the evidence.

Q. We are not aware of any further questions to ask you?—A. I would rather you had gone ahead and asked me questions. I have a lot of information to put in which is most convenient here.

Q. Have you anything further that you can give us bearing on the combine?—A. I have several things.

Q. That would be all right?—A. Here is a clipping from a newspaper headed 'The Lumber Combine Investigation.' (Reads)—"The following statement in large type appears prominently in this week's issue of *Great West*, the official organ of the Canadian Society of Equity: 'A retail lumber dealer who has recently gone out of business on being asked about the workings of the lumber combine replied: "I have nothing to say. When I went out of business I made a trip on the Crows Nest. While there I was offered \$1,500 to pledge myself to keep my mouth shut for two years, and I am a man of my word.'"

Q. Have you got that man's name?—A. The man's name I do not know.

The CHAIRMAN.—It is very little use if you have not got the man's name.

By Mr. Sloan :

Q. What paper is that taken from?—A. The *Calgary Herald*.

APPENDIX No. 6

By the Chairman:

Q. We cannot do anything with that unless you can give us the man's name so that we can summon the man himself?—A. The facts possibly could be got. Here is another clipping taken from the current issue of *The Canada Lumberman and Woodworker*, containing a review of the lumber trade for 1906. It is headed, 'A year of uninterrupted prosperity and high prices.' This is from the official organ of the lumbermen. The clipping reads: 'Prosperity in the broadest sense of the word characterized the lumber trade of 1906. With scarcely an exception, timber products of all kinds were in brisk demand, and the average of prices was considerably in advance of what had prevailed in any previous year. Operations were as a rule carried on under favourable conditions, and the manufacturer or dealer who was unable to show a fair margin on the the right side must indeed have been unfortunate.'

By the Chairman:

Q. Where is that clipping from?—A. That is a clipping from the lumbermen's journal.

By Mr. Sloan:

Q. What date is that?—A. That is within the last thirty days.

Q. Is there no date on it?—A. No date on it.

Q. That is no good unless you have the date?—A. Do you wish me to refer to railroad tariffs?

By the Chairman:

Q. I want to ask you concerning that question. We had a good deal of talk at the beginning of this investigation about the question of freight. Mr. Watts put in the best statement that I think we have had on that question. That is the opinion I formed from going over it roughly. The average weight of lumber shipped by him was 2,200 pounds to the thousand, but there appears to be a great difference of opinion as to the weights?—A. My authority is the companies that I sell lumber for and the base is 2,000 lbs., that is 2 lbs. to the foot.

Q. That would be exceeded in the case of green fir?—A. There may be exceptions now and again where it is exceeded.

Q. I was taking the elaborate statement made up by Mr. Watts of his shipments, and the average I made from those is about 2,200 lbs. Mr. Watts takes the weight for respective shipments, but there was a point that I was not quite clear upon. I asked one of the witnesses, I think it was Mr. Lewis, the question whether he could give us some light on it. For instance, supposing that a man ships a car of an estimated price of so much per hundred pounds purchased at a delivered price. The man pays the freight but that car is of course always weighed. Now if it happens that the freight charged is too much, who gets the benefit of it? Mr. Lewis said they got a rebate, but I neglected to press the question further as to who got the advantage of the rebate?—A. If the lumber happened to be very dry it would of course run less than 2,000 lbs. to the thousand feet.

Q. You do not exactly catch the question I am asking? Supposing you shipped a car of an estimated weight of 2,500 lbs. for example, and it turned out to be only 2,000 lbs. when it was weighed. Of course all the cars are weighed, and in that case the freight would be less. Who would get the advantage of that rebate of freight? There certainly ought to be a rebate and Mr. Lewis said there was in every case?—A. Well, the company would get it sometimes, and at other times the dealer would get it. I think it would average up that they would not, either of them, be very much ahead.

The CHAIRMAN.—The dealer should invariably get it. He should only pay for what he gets.

By Mr. Sloan:

Q. The lumberman sells at the delivered price?—A. Yes.

By the Chairman:

Q. But that delivered price is on a calculation of his own? He says that the lumber will weigh in one case 3,000 lbs., in another case 2,500 lbs., and in another case 2,200 lbs.?—A. It averages up as a general thing.

Q. If the shipper of the lumber got that advantage that would be a profit to him would it not, having sold the lumber on a basis of 2,500 lbs., or 3,000 lbs., and it was proved to be actually 2,000 lbs? Why should the purchaser be required to pay the freight on the estimated high rate when the actual rate was lower?—A. He only pays the freight on the actual weight anyway.

The CHAIRMAN.—You do not appear to get at the question. I want you to answer and I am trying to make myself clear. The lumberman makes his calculation when he sells that car of lumber on a basis of 2,500 lbs. Now the car is weighed afterwards and the weight proves to be less than that. Who gets the advantage?

By Mr. Sloan:

Q. What Mr. Greenway wants to know is, if the lumber only weighs 2,000 lbs. who gets the advantage?—A. The manufacturer would get the benefit of that.

By the Chairman:

Q. That appears to be a source of revenue that has not been brought out in the investigation before this committee?—A. There are other times when it is the other way.

Q. I would not think so.—A. There are other times when it is the other way and it just about averages up. As I say the basis is about two lbs. to the foot.

By Mr. Herron:

Q. Supposing it weighs more does the manufacturer lose that?—A. No, he does not lose it.

Q. Is it charged up to the dealer?—A. It is charged up to the dealer.

By Mr. Sloan:

Q. How can it be charged up to the dealer when the manufacturer gives a delivered price to the dealer?—A. Yes, you are right. The freight is deducted from the cost.

By the Chairman:

Q. I have seen a car of lumber that cost \$400 and nearly \$250 of that amount was for freight. That is deducted from the invoice and the manufacturer gets the balance. In the case of a shipment of lumber at an excessive weight there would certainly be a source of revenue to the manufacturer if he got the benefit of a rebate?—A. I think, generally speaking, Mr. Greenway, there is no benefit derived from it as far as I can make out. I have known cases of lath shipped from the Coast and the lath happened to be very green. All the manufacturer got for his car load of lath on the Coast was \$45, and he had to pay \$10 out of that to me in the way of commission, and the freight of that car was one hundred and thirty and some odd dollars.

By Mr. Sloan:

Q. He practically only then got \$35?—A. He practically got \$35 for his car of lath. That was practically the value at the mill in sending out green lath.

Q. In some cases it would be to the advantage of the mill man and in other cases it would be to his disadvantage?—A. So I think generally speaking it would just about average up; there is nothing made out of freights.

By the Chairman:

Q. There certainly would be?—A. There are certainly, as a matter of fact, cases where it is done.

APPENDIX No. 6

Q. If a man went into a dealer's office and he sold him a car of lumber on a basis of 2,500 lbs.—the reason I speak of that is that the lumbermen have given us the weight as 3,000 lbs. in some cases that they put in?—A. Yes.

Q. Well, the lumber is sold on that basis, and it only turns out to be 2,000 lbs. The lumberman would be making the freight on 500 lbs out of the retailer?—A. He would in that case.

By Mr. Sloan:

Q. The retailers have not made any complaint about it?—A. I don't think there is a man ever complained on that line.

Q. Apparently it works out about even all around?—A. I would like to say before you finish with me, I am somewhat inclined to think the railroad rates are somewhat excessive.

By the Chairman:

Q. That is a thing I went into at the first part of the investigation and tried to get at?—A. When you figure on a car of lumber costing the dealer all the way from \$100 to \$250 varying from the different points it is shipped at or to——

Q. I suppose you know as a matter of fact that the freight is sometimes very much more than half?—A. It is oftentimes two-thirds.

Q. It is very much more than the price of the lumber I was going to say?—A. Yes.

The CHAIRMAN.—I have known cases where the freight was \$250, and the lumber \$150, or something like that.

By Mr. Sloan:

Q. You mentioned a case where a car of lath only netted the manufacturer \$35?—A. \$35, yes. After having paid a commission to me of \$10.

Q. What was the freight?—A. The freight was one hundred and thirty and some odd dollars.

By the Chairman:

Q. That is an extreme case?—A. That is an extreme case, yes, and the party who shipped said they would not have shipped it if they had known; they would have held it back rather than have sent it at all.

The CHAIRMAN.—The only thing we have brought out in the evidence before was in reply to a question I asked Mr. Heaps, I think with reference to shingles. The Manitoba dealer pays 50 cents a hundred on his shingles and the Ontario man pays 72 cents. There is a difference of 22 cents a hundred for practically more than double the distance.

Mr. SLOAN.—You mean the Ontario man gets a lesser rate?

The CHAIRMAN.—No, he does not; he gets 72 cents as against 50 cents.

The WITNESS.—I have made some inquiries down here in regard to shingles. I think shingles are sold in Ontario cheaper in proportion than they are sold in the Northwest Territories.

Q. That is British Columbia shingles?—A. British Columbia shingles by about 50 cents a thousand. I think that shows a discrimination in itself.

By the Chairman:

Q. That shows the dealer is getting a large profit—that is if he buys the same in Manitoba as he does in Ontario?—A. Yes. The manufacturer is shipping to eastern points cheaper than he is shipping to Manitoba points, at a lesser rate of profit.

Q. I do not know whether that was made clear to the committee or not?—A. There was one thing I would have liked to have mentioned yesterday. Out of the list of lumbermen who are doing business as manufacturers in the mountains fully 60 per cent are American capitalists.

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Q. That is the Mountain Association?—A. The Mountain Mills, yes.

By Mr. Herron :

Q. Is there a combination among the lumbermen in the United States?—A. There certainly is.

Q. Is it what they call the Inland Empire Association?—A. Yes; and to my mind it is far more effective on the American side than it is here, and the prices, I made inquiries in Minneapolis and St. Paul when I was coming through, are from \$2 to \$4 a thousand higher through the effects of a combine at those points than they are on the Canadian side.

By Mr. Schaffner :

Q. Lumber you say is from \$2 to \$4 higher?—A. From \$2 to \$4 higher on the American side than it is in Canada.

By the Chairman :

Q. That is at the Coast points?—A. That is in the local yards in Minneapolis and St. Paul.

By Mr. McIntyre (Strathcona) :

Q. Why do you say that is due to the close combine there?—A. Well, I made inquiries about that from several of the dealers, and they claimed that they had—

Q. That may be true but have you any other reason for saying that the combine was the cause of these excessive prices?—A. Well, I think it was in the reports of Mr. Wells and of the Coast associations that they are working in conjunction together and any move that is made on the American side is repeated on the Canadian side.

By Mr. Sloan :

Q. Where have you seen that information?—A. In a circular letter by Mr. Wells.

Q. Mr. Wells stated that they had no connection with the American association?—A. Well, they certainly have got a connection.

Q. Have you got anything to show that?—A. I think you have got letters on file here showing such circular letters.

By the Chairman :

Q. There were three circular letters that you gave me last night, but I did not read them. I think we have had some circular letters in the beginning of the examination?—A. You had some in the beginning of the examination that showed that.

By Mr. Sloan :

Q. You said that they were working together?—A. They sent committees backward and forward from the American side to the Canadian side.

Q. You mean the American lumber dealers?—A. The delegates that met the different associations.

Q. Do you know of any Canadian delegation going to meet an American association?—A. Well, Mr. Alexander, of Vancouver, does that; he frequently goes across His son on the American side is secretary there.

Q. How do you know he frequently goes across?—A. I have been told so.

Q. To say that you have been told so is not evidence here. We want something definite?—A. I have a letter here from the Alberta Building Company of Calgary, a large firm of contractors who have been building the Dominion Government post-office there. This letter was written to me on March 4. (Reads):—

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EXHIBIT No. 89.

ALBERTA BUILDING CO., LTD.

CALGARY, March 4th, 1907.

E. E. TAYLOR, Esq.,
Care HON. M. S. MCCARTHY,
Ottawa, Ont.

DEAR SIR,—We see by the press that you have been summoned by the commission and would like to call your attention to a few facts in connection with the lumber combine. Since this combination of lumbermen has gone into effect, there has been an advance in the price of lumber almost every week in the past year, and it takes three and four months to fill an order. By the time the goods reach us, our profits are completely turned over to the hands of the lumber people.

We can assure you that by corresponding with other contractors, you will find this statement correct. You will also find that the lumber industry is completely demoralizing the trade, and unless something can be done, building will be at a standstill.

Trusting that this information will be of some service to the country, we are,

Very truly yours,

ALBERTA BUILDING COMPANY (LIMITED).

(Signed) Wm. B. Davin.

Now I know it to be a fact that these people had been taking contracts at Calgary and they have lost money on their large contracts owing to the fact that they took a contract at the then stated price of lumber and by the time they wanted to use the lumber they had to pay the advanced figure on it.

By Mr. Herron:

Q. In the event of a manufacturer selling to a dealer who was not a member of the Retailers' Association, do you know of any such thing as a rebate of any kind that is given to the association retailer in the locality? We have had some evidence on that?—A. I do not quite catch your question.

Q. The question is if a manufacturer sells lumber to a retailer who is not a member of the Retailers' Association, is there a rebate given to the association retailer in the locality? Or perhaps it was supplying lumber to elevators?—A. It was elevators, yes.

By the Chairman

Q. That question is very opportune if Mr. Taylor knows anything about it. It has been said in cases where that is done that the local dealer demands and gets \$10 a car. Do you know anything about that?—A. I could not say positively that is so, but I have a pretty good impression that is the case. I have never seen it done, but I am pretty well satisfied that the local dealer in that particular point where the lumber is shipped to—

Q. If he insists upon getting a consideration—A. If he pushes for it he will get it.

By Mr. McIntyre (Strathcona):

Q. Have you any reason for saying that?—A. I cannot say that I have. I have a letter here from The Rothesay Lumber Company of the 7th July, 1905 with a clipping attached to the side of it. (Reads):—

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EXHIBIT No. 90.

ROTHESAY LUMBER COMPANY,
MARA, B.C., July 7, 1905.

E. E. TAYLOR, Esq.,
Calgary,

DEAR SIR,—Can you give any fuller particulars regarding the matter referred to in enclosed cutting. The prices arranged—names of companies and firms interested, &c., and much oblige.

Yours truly,

THE ROTHESAY LUMBER CO., LTD.

Copy of cutting attached.

Selling Combine for B.C. Mills in Northwest.

‘Thirty one up-country concerns have joined in pool to handle business with farmers—plans perfected in Calgary yesterday. Calgary, Alta., July 6. (Special.)’

At a meeting held yesterday, arrangements were practically agreed upon for the formation of a selling combine for the Mountain mills of British Columbia.

There are thirty-four mills in the upper country whose principal output is shipped to Manitoba and the Territories. It is understood that all but three of these joined in the pool, which is to go into effect immediately.

The plan is the result of a decision on the part of a majority of the mills that some such arrangement is necessary to provide against cutting prices in competition.

It is said that an effort was made to get the Coast mills to join the scheme or to agree to form a selling agency of their own, but objection was taken to this by a number of the Coast mills, whose managers wished to carry on their own selling arrangements.’

In reply to that letter I wrote as follows:—

EXHIBIT No. 91.

CALGARY, ALTA., July 11, 1905.

THE ROTHESAY LUMBER CO.,
Mara B.C.

DEAR SIR,—I have your of the 7th instant, and note that you ask for further particulars regarding the clipping which you enclosed. I am sending clippings from our local paper here to you, which may explain matters. As to who the three parties who have come out, I am unable to say, but I have learnt that in sixty days the Mountain mills propose to advance the price on lumber \$1.25, but the present prices are to remain until that time. I have also learned that they propose to sell and pool orders, and cut out the expense of a great many salesmen. I am hardly in a position to say whether this thing is going to pull out or going to be a success, you are better able to judge.

I may say Mr. Courey a few days ago, regarding lumber for the elevators, and although he has not placed the order, he assured me that I stood the best chance of securing the same, and just as soon as he could, will place his order. This is the very best that I could do with him at the present.

I find it very difficult to place orders here in Calgary, owing to the fact that Breckenridge & Lund Co. have cut figures very fine, and made it so that our figures would not touch local figures. I can secure orders from some contractors, but I feel that a great many of them are not worthy of credit or taking chances, and I think it wiser not to take the orders.

Your very truly,

E E TAYLOR

APPENDIX No. 6

By Mr. Knowles :

Q. I have received a letter from a citizen in the west asking me if I can get any evidence regarding the Secret Order of the Black Cats. This is not a laughing matter. This man says the members of the order meet secretly and set the prices, and as far as I can gather my correspondent seems to indicate that under the name of Black Cats they do what we are trying to bring home to them; they set the prices under the name of this organization. In justice to the gentleman who wrote to me I want to ask if you can give any information in regard to that secret order?—A. No doubt what is referred to is the Hoo-Hoos. You will have noticed several of the lumbermen who were here wore a little badge on their coats with a black cat on it.

By Mr. Sloan :

Q. Have you got one?—A. I have not worn one because I do not belong to the association. It is I should say a social order among the lumbermen.

By Mr. Knowles :

Q. I thought it was something of that kind myself. Have you any information to the contrary?—A. I have nothing else to the contrary. I am pretty well satisfied they do not meet for the purpose of raising prices or anything of that kind, but they meet in a social way and talk over these things and the result comes out in the association's work.

Q. The probability is there would be no minutes kept?—A. I do not think there is.

Q. I am sorry we had not the information sooner because we might have questioned somebody who belongs to the organization?—A. Mr. Heaps belongs to it. I saw a badge on his coat.

By Mr. Herron :

Q. What do you think the outcome of a combination between the retailers and the manufacturers will be on the lumber trade in general? What will be the conclusion of it? Are they going to raise the price still further?—A. I am very much inclined to think the mills are going to raise their prices very much higher than they are at present; in fact I am satisfied they are.

Q. Are they going to give an idea in advance so that people may stock up? A great many organizations that are supposed to be monopolies never give any notice?—A. You have only got a surmise of that. To-day you may turn orders into the mills and they are not filled.

Q. The chances are the sooner the orders come in the sooner they will be filled?—A. Your order may go in to-day and it will not be accepted.

By the Chairman :

Q. Mr. Lund told us he had orders in December and only shipped one?—A. And then they only shipped at the list prices at the time of shipment.

By Mr. Sloan :

Q. Mr. Lund told us he had been able to advance \$2?—A. To give you an idea of shingle bolts that I got from a lumber dealer as showing the cost of shingle bolts and the cost of shingles at the Coast ready for shipment on the cars.

By the Chairman :

Q. We had a good deal of that from Mr. Heaps?—A. Well, shingle bolts cost from \$4 to \$6 a cord, cutting per thousand 13½ cents, and packing 7 cents. That is an estimated cost of about \$2.10 a thousand for shingles.

Q. And then the freight is what?—A. They are shipped at \$2.80.

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Q. What do you mean by that ?—A. That is the f.o.b. price for the shingles on the car.

Q. And what do they weigh ?—A. They weigh somewhere about 200 lbs.

Q. If it was \$200 that would be \$1 for freight ?—A. I think Mr. Heaps it a little higher in his figures. Have you the price list for shingles ?

The CHAIRMAN.—Mr. Heaps was asked about shingles, the price of 3x shingles, and he said they were selling at about \$2.50, but they sold at one time at \$1.10.

By Mr. Sloan :

Q. Is that the selling price or the cost of manufacture ?—A. \$2.10 is the actual cost to the manufacturer.

By the Chairman :

Q. And then there would be the freight to add ?—A. I want to say in connection with the Coast mill that I have been working for, that the secretary, Mr. Alexander, of Vancouver, sent me an affidavit for me to sign, and which I did sign. I went to my lawyer before I put my signature on it and asked him for an opinion. 'Well,' he said 'you can sign it but it does not amount to anything; it does not amount to a damn.'

By Mr. Knowles :

Q. Did a lawyer use these words ?—A. Yes.

Q. He must have been a New Brunswick lawyer ?—A. The nature of the affidavit was that I should bind myself not to cut prices, alter terms, or sell to any other than a regular member of the association. I have a letter here showing that.

By Mr. Sloan :

Q. Have you a copy of the affidavit with you ?—A. No, I never kept a copy, and the affidavit I returned to Mr. Alexander; I never thought I would have any use for it at the time. It was in printed form. Here is a letter from The Ladysmith Lumber Company. (Reads):—

EXHIBIT No. 92.

THE LADYSMITH LUMBER COMPANY, LIMITED,.

LADYSMITH, B.C., April 11, 1904.

E. E. TAYLOR, Esq.,
Dominion Hotel,
Calgary, Alta.

DEAR SIR,—Your favour of 31st March to hand and noted. Our reply has been delayed for a day or two owing to the writer's absence.

We regret to hear that you find things are looking so unfavourable at present, but trust when the weather gets settled down trade will improve.

Re cut in price. If cuts are being made they will have to be met : but we would rather have it done through the association cutting in a body.

Take some shingle orders conditionally that we have the option of filling at the price that you make sure they are being sold for, and we will invoice at listed price, drawing at price arranged (strictly confidential). *Re Lath.* We were advised of the lath. This was caused by the lath having been shipped in cold weather and frozen in car; had to be dug out with a pick, in which case no strings could stand.

We would prefer to put them up in 50's instead of 100's, but most of our customers wish the 100 bundles, as they handle so much quicker.

We claim to have the best fir lath shipped from this country; sap more or less is always allowable and we have never before had complaints on that score. Try and rush fir lath if possible, we having several carloads which we would like to ship forthwith. Also we are in good position to handle lumber orders with despatch.

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Later.—We are just in receipt of your favor of the 7th inst. and note contents of same. We are sorry to learn that you have been somewhat indisposed. Trust that you are well ere now. Regarding association it is yet unbroken to our knowledge.

Prices on rough, cedar, dimension and shiplap have been reduced \$1.00 per M. Trusting you will be successful in securing some orders.

Your very truly,
THE LADYSMITH LUMBER CO., LTD.

(Signed) JOHN W. COBURN,
Managing Director.

In May, 1904, shingles were delivered at our point for \$2 a thousand, 3x shingles.

By Mr. Sloan:

Q. You made the statement that they cost \$2.10?—A They cost \$2.10 now, yes.

By Mr. Herron:

Q. Do you know anything about that logging association at the Coast?—A. That matter was dealt with yesterday. I have another letter from the same people. (Reads):

EXHIBIT No. 93.

THE LADYSMITH LUMBER COMPANY, LIMITED,
LADYSMITH, B.C., January 9, 1905.

E. E. TAYLOR, Esq.,
Calgary, Alta.

DEAR SIR,—Your favours of recent date and January 4, stating E. Grierrbaugh has paid account received and noted.

We have had no returns on his account yet, and if the amount had been charged up to him no doubt the returns would have reached here prior to your letter. We trust you will not let this account rest until we get a settlement.

We enclose revised price list which all the mills have adopted, both Mountain and Coast. Adhere strictly to the price for any sales made, and only to reliable customers.

Yours very truly,
THE LADYSMITH LUMBER CO., LTD.,
(Signed) JOHN W. COBURN,
Managing Director.

By the Chairman:

Q. That is very good evidence?—A. Here is an instance of a case where I quoted a price that I thought was right at the time by my price list. It turned out afterwards to be wrong, and the result of the wrong price was that I had to pay the difference out of my own pocket. Here is the letter bearing on that subject. (Reads):—

EXHIBIT No. 94.

THE LADYSMITH LUMBER COMPANY, LIMITED,
LADYSMITH, B.C., September 22, 1905.

E. E. TAYLOR, Esq.,
Calgary, Alta.

DEAR SIR,—Your favour of 18th inst., re cement company's order, received and noted. We have sent in our tender, but are assured that order goes through Cushing Bros.

McKenzie's account.—We have already advised him that we will allow the account to stand as order was taken, and looking to you to settle the balance. We

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could do nothing else owing to our agreement and affidavit, and we will have to arrange this difference between us.

If you can get the difference out of McKenzie we wish you would, not so much for the amount involved but to bear inspection of business.

Do you want any lath shortly? We have two carloads ready to ship. Let us know by return.

Yours very truly,

THE LADYSMITH LUMBER CO., LIMITED,

(Signed) JOHN W. COBURN,
Managing Director.

The CHAIRMAN.—That is all right. That is the kind of thing we want to get from you.

By Mr. Herron:

Q. What company is that?—A. That is the Ladysmith Lumber Company.

By Mr. Sloan:

Q. And the date?—A. The date is September 22, 1904. Here is another letter referring to the same matter, and it mentions the affidavit as well. (Reads):—

EXHIBIT No. 95.

THE LADYSMITH LUMBER COMPANY, LIMITED,
LADYSMITH, B.C., September 5, 1905.

E. E. TAYLOR, Esq.,
Calgary, Alta.

DEAR SIR,—Please find inclosed copy of J. A. McKenzie's letter *re* prices on order sent, which you will see is quite insolent.

It is quite evident that you have quoted him wrongly, and although we corrected the prices when acknowledging order, he did not notify us his objection. The difficult part that we are in, is that we cannot allow him the reduction he requires as you are well aware, owing to the affidavit we have taken, and if he refuses to settle we will be obliged to refer it to the association, which we do not wish to do, as it would be bad both for him and yourself.

Please see him and explain our situation and try and get him to remit as per our invoice.

Yours very truly,

THE LADYSMITH LUMBER COMPANY, LIMITED,

(Signed) JOHN W. COBURN,
Managing Director.

I have another letter from the same people. (Reads):

EXHIBIT No. 96.

THE LADYSMITH LUMBER COMPANY, LIMITED,
LADYSMITH, B.C., August 1, 1905.

E. E. TAYLOR, Esq.,
Calgary, Alta.

DEAR SIR,—Your favour of 27th instant *re* Claxtons' lath and McKenzie's overcharge received and noted. We have a letter from Mr. Claxton also notifying us of our mistake in the tally, and we certainly gave him credit for honesty in the matter. We have written him on the subject.

Re McKenzie's 2 x 14 x 24: The only price we can sell this for is the price we have charged him, \$21.95, and in acknowledging your order we so notified him. We cannot sell less than list price, and regret that we cannot meet Mr. McKenzie in this matter.

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Evidently in placing this order, you have overlooked our instructions sent you in our letter of March 20, or you have made a mistake in taking prices off the list.

If Mr. McKenzie did not wish to pay this price he should have so notified us when he received our acknowledgment; and we trust he will see this in the proper light, as we have no option in the matter.

Are there any prospects for new orders up there, and are the Mountain mills now selling at our prices?

Yours very truly,

THE LADYSMITH LUMBER COMPANY, LIMITED,

JOHN W. COBURN,
Managing Director.

Here is the letter I wrote to the company after signing the affidavit referred to (reads) :

EXHIBIT No. 97.

CALGARY, ALTA., August 8, 1905.

THE LADYSMITH LUMBER CO.,
Ladysmith.

DEAR SIRs,—I yesterday signed and forwarded to Mr. Alexander the declaration which he sent to me. I cannot help but note that the lumber business is getting pretty stiff. At the same time I cannot help but feel that it is best for us all as it certainly makes goods easier sold. I had Mr. Ashville in a few days ago, and he was complaining very bitterly at such an agreement. I think from all I can see that Mr. Ashville is more to blame for disturbance in price than any man I know of on the road, and it certainly will tax him good and plenty.

I wrote you regarding an order from Mr. Jarvis, of Red Deer, some time ago, and you have never advised me whether you were sending or not. Kindly let me know how this matter stands. I expect in a day or so to have a large order for timber from Mr. Fairey, who is building a large elevator and grist mill here. He advised me yesterday that he would let me know in a few days. If I secure this order, you will need to be prepared to ship at once.

Yours very truly,

E. E. TAYLOR.

By the Chairman :

Q. Is there anything else you wish to put in?—A. Well, I have some here from another company that I want to put in.

By Mr. Sloan :

Q. Just to clear up a point for the benefit of the chairman. You stated yesterday that you knew of a boom of logs that was purchased by Mr. Emerson. You did not state they were purchased by the association?—A. They were purchased by Mr. Emerson himself.

By Mr. Schaffner :

Q. There are two associations, the Manufacturers' Association and the Retailers' Association. Do you know anything about what understandings, or compacts, or agreements, or anything you like to call it, which existed between one and the other?—A. Well, no move is made without the knowledge of all associations together. Every move that is made by any particular association, the other associations knows it almost simultaneously.

Q. There are practically two associations, the Retailers' and the Manufacturers'?—A. Yes.

Q. And they are familiar with the work of each other?—A. They send delegates from one to the other.

Q. You know that?—A. I am positively sure of that.

Q. You never were a delegate yourself?—A. I never was a delegate myself. Of course I was always acting as an agent. I never took out a membership in any association myself, in fact I know I could not get it.

By the Chairman :

Q. You gave us important evidence yesterday, when you stated that in starting out on the commission business you were given a list of the members of the retailers' association?—A. I might say, while you are on that point, that some of the lumbermen have made statements here that a man outside the association had an equal chance of buying lumber and doing business with a man in the association. Well, I absolutely state that that is not so. I defy any man in that country outside of the association to do business and do it successfully. In the first place, he may make up his mind that he is going into the lumber business, and he will perhaps buy a piece of property and put up buildings and apply for lumber from the mills. He will have all these expenditures made and they will turn down his order. They will ask him, 'Do you belong to the association?' If he does not belong to the association, he will get mighty little lumber.

Q. They will return his cheque?—A. Yes, sir, and he is referred to the association, and I know it to be a fact if he does not belong to the association at that point where he takes his order if they have got sufficient yards at that particular point he will never be a member.

Q. I think that has been established pretty clearly?—A. He may get a little lumber, but, dear me, it will never pay him to open up a yard to sell it; it is out of the question.

By Mr. Schaffner :

Q. Where would he get the lumber?—A. There are one or two little side shows that are selling lumber

By Mr. Herron :

Q. Mills that are not in the association?—A. Mills that are not in the association, and they have just as hard work to make an existence as the retailer has. Their output is small, and they have got no cut; you may say it is generally low grade stuff.

By Mr. Schaffner :

Q. Then, according to what you say, these mills that an independent man can buy lumber from are mills that practically carry no stock?—A. Exactly.

Q. They do not carry a stock sufficient to supply a country town?—A. They could not do it; they have not the stuff to do it with, and they would not be of any use to a man outside the association.

Q. All the important mills are in the association?—A. Yes, and more than that, there are so many different kinds of lumber required in the yard that you have got to order it in a great many places in order to get the stuff you want.

By Mr. Herron :

Q. The result is the small mill owner who is not in the association would have to sell his output to a millman that is in the association and sell it at a lower price?—A. He generally does, and most of the mills in the association make it a point to buy the output of these small mills in order to control them. For instance, I mentioned the case of this Staples Lumber Company. At Red Deer they bought the output at \$18 a thousand, and last year \$22, of the Great West Lumber Company. A short time ago I was up in the town of Didsbury, in which the Staples Lumber Company have a yard, and as I generally do, sized up a pile of lumber. As I was passing out I noticed lumber close to the fence that appeared to me to be very much undersized. Having a little rule in my pocket, I went in and measured it out of curiosity, and I found that 2 x 4 was 1½ x 3½.

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Q. Did you make any further inquiries regarding it?—A. It was undersized lumber put into the market for sale.

By the Chairman :

Q. Is not the lumber generally undersized?—A. The lumber generally is undersized, and in some yards there are boards supposed to be inch boards which are five-eighths.

Q. They have got them down pretty thin?—A. Yes, and very poor stuff at that. You may want to know what I would think in regard to a remedy.

Q. You were asked that yesterday?—A. That was in regard to logging and the timber berths—the remedy from that end. From the retail end, I would like to suggest that the government appoint a lumber commissioner in the Northwest Territories from whom the lumber can be ordered in carload lots by the consumer at manufacturers' prices—that will have a tendency to keep down the price of lumber in local yards to a fair basis—and that the mills be forced to render to him a statement of their stock on hand and the prices monthly, and through him orders can be turned into the different companies to sell.

By Mr. McIntyre (Strathcona):

Q. This question was asked before: Do you not think in selling directly to the consumer you are interfering materially with the retail business?—A. I don't think so, no.

Q. Not at all?—A. I think that the business would be limited largely, for there is a very small number of people that can buy a car, and it would come to be the situation that if they are held up they have got a means and recourse to offset high figures.

Q. But do you not think that if you had your commissioner and he had power to inspect the retail yards, and if he should be empowered to inspect the condition of the manufacturer, that any undue rise in lumber could be easily regulated in that way?—A. I think it could.

Q. Without resort to direct sale?—A. I think it could be largely rectified in that way.

By Mr. Sloan:

Q. You would have a commissioner with power to call for lists of the retailers in all portions of the Northwest?—A. Exactly.

By Mr. McIntyre (Strathcona):

Q. You would make every retailer then a member of the association?—A. Every retailer?

Q. Every retailer?—A. Not necessarily.

Q. In order to carry out your suggestion it would be necessary to have a more accurate audit of the accounts of the mills and their exact standing than even exists at present. Every manufacturer in the mountains would have to give this audit or allow access to his books. That would be the only working basis if a government commissioner were to handle this thing?—A. I would give him the utmost powers.

By the Chairman:

Q. He should act without partiality so as to put them all on an equal basis?—A. Yes.

Q. And the same with the retail dealer?—A. Yes.

Q. And he must contribute to the general welfare of the whole retail trade?—A. Yes.

Q. That is why I mentioned commissioner. I don't think this parliament has got power to act in British Columbia, and the commissioner would for the time being re-

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present the people, and give them the means of buying a carload of lumber, if they wished to at the manufacturers' prices.—(No answer.)

Q. There is no doubt it might be worked out with the consent of the manufacturers?—A. Yes; and I notice that one or two manufacturers stated in their evidence here that they would not object to that. I am satisfied the business would not be large, but it would overcome the prejudice that exists.

Witness discharged.

Mr. E. G. AMBROSE, Pincher Creek, Alberta, sworn.

By the Chairman :

Q. What is your business Mr. Ambrose ?—A. A retail lumber dealer.

Q. Are you a member of this association they talk so much about?—A. I am a member of the Alberta Retail Lumber Dealers' Association.

By Mr. McIntyre (Strathcona) :

Q. Where do you live?—A. Pincher Creek.

By Mr. Herron :

Q. How long have you been in the business ?—A. About eight years.

By the Chairman :

Q. That organization of which you speak has only been in existence about a year?—A. About a year, I think.

By Mr. Sloan :

Q. Previous to your joining the Alberta Retail Lumber Dealers' Association were you a member of the Western Retail Lumber Dealers' Association?—A. Yes, I was.

Q. You discontinued your membership in the Western Association, and you have no connection with the Western Association now ?—A. No connection with the Western Retailers' Association at the present time.

By the Chairman :

Q. Have you a price list on which you sell ?—A. We have a price list for the town, yes.

Q. You have not a copy of it ?—A. I have it down at the hotel. I did not think I would be called this morning and so did not bring it with me, but I can put it in this afternoon.

By Mr. McIntyre (Strathcona) :

Q. Is that price list purely local ?—A. Purely local, yes, sir.

Q. How is it arranged ?—A. Arranged by the consent of the several dealers in town ; there are three of us.

By the Chairman :

Q. There are three of you in the town ?—A. Yes.

By Mr. McIntyre (Strathcona) :

Q. On what basis do you work ?—A. 20 per cent.

Q. On what ?—A. On the price laid down in the yard.

By the Chairman :

Q. A net profit of 20 per cent ?—A. Yes, a profit of 20 per cent on the cost laid down in the yard.

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By Mr. McIntyre (Strathcona):

Q. What does it cost you to handle the stuff?—A. Oh, I don't know, say about 12 or 13 per cent.

Q. What amount of lumber do you handle in your yard in a year?—A. Well, I just started in for myself in this yard last May, the 1st of May, so I have not had a full year yet, and I have not made up my books for the year. I think possibly I will handle a million feet about.

By Mr. Crocket :

Q. Have you only one yard?—A. Just the one yard.

Q. Are the other two dealers at Pincher Creek members of the association also?—A. Yes, they are.

By Mr. Herron :

Q. Are they the regular line yards?—A. One belongs to the Enterprise Lumber Company, which is a line yard, an offshoot of the East Kootenay Lumber Company, manufacturers, and the other is an offshoot of the Fernie Lumber Co., manufacturers

By Mr. McIntyre (Strathcona) :

Q. Do you get any discount on the wholesale price?—A. No.

Q. No discount whatever?—A. Two per cent in 20 days I think it is.

Q. You get no rebate in any way?—A. No.

Q. Do you reclassify the lumber which you receive?—A. No.

Q. There is no other source of gain than simply the 20 per cent that you advance on this retail price?—A. That is all. I might say that we give 5 per cent off that to contractors which means practically about 7 per cent on the cost. That leaves us 13 per cent.

By Mr. Crocket :

Q. How is the local price fixed? Is it simply by agreement among the three dealers?—A. Agreement among the three dealers with the director.

By the Chairman :

Q. With the local director of the association?—A. Yes, although we have changed the price I think once without him.

By Mr. Schaffner :

Q. What does he do towards fixing prices?—A. Well, if one of us thinks the price ought to be raised we generally drop him a line and say that we think the price ought to be raised a dollar or something like that.

By Mr. Sloan :

Q. Did you ever lower the price?—A. We have not done so, not lately; I did once but I had to stop.

By Mr. Schaffner :

Q. Why?—A. I could not get any more stuff. I could not get any lumber.

By the Chairman :

Q. After you cut the price you could not get any more lumber?—A. No.

By Mr. Schaffner :

Q. From the manufacturers?—A. From the manufacturers.

By Mr. Sloan:

Q. Explain that to us, if you please?—A. When I started on the first of last April and went up west I was going to start a lumber yard in Pincher Creek——

By Mr. Herron:

Q. You might explain to us how you got out of the old business. You changed the business, did you not, about a year or so ago? You sold out?—A. Sold the yard to the Enterprise Lumber Company.

By Mr. Sloan:

Q. At Pincher creek?—A. At Pincher creek, and I went on as manager for them from September, 1905, to the 1st April, 1906, and then I started out to put in a yard of my own.

Q. At the same point?—A. At the same point.

Q. When you sold your business to the Enterprise Lumber Company, did you make an agreement not to open up business in the town?—A. I did not own that business. I was manager for a man of the name of Hyde.

Q. Hyde sold the business?—A. Hyde. I was manager on commission. I had practically an interest in it, because I was managing on commission.

Q. Was there any understanding with the Enterprise Lumber Company that you would not continue in the business?—A. No understanding with me.

Q. Was there any understanding with Hyde?—A. There was an understanding with Hyde that he would not go into the business for five years.

Q. Were you a partner in the business?—A. I was interested in it, but not a partner.

Q. What is the difference?—A. There is a great deal of difference.

Q. Explain it?—A. I had no direct interest in it. I did not own any part of the business. I was handling it altogether on commission on sales.

Q. What is the name of the firm?—A. The Pincher Creek Lumber Yard. After I left the employ of the Enterprise Lumber Company on 1st April, I started up west to buy lumber to start a yard, and I went to the Standard Lumber Company, of Baker, B.C., and ordered two cars of lumber there, and told them that they could send down to the bank at Pincher Creek and ascertain my standing before they shipped. I also went to Fernie, and ordered a car of lumber from the Elk Lumber Company, and then went down to get my yard in shape to put my stuff in. The car from the Elk Lumber Company came all right, but the Standard Lumber Company wrote and told me that they had found I was not a member of the association.

By Mr. Herron:

Q. That is the Retail Association?—A. The Retail Association; and that they could not ship to me, but if I would join they would ship. There are letters here among the correspondence to prove that.

By Mr. Sloan:

Q. Have you not got your letter?—A. I did not keep my letter, but there are letters that passed between Mr. Grogan and Mr. Wells that prove what I say.

Q. You said that you had been refused lumber for cutting prices; I think that is what you stated?—A. Well, I could not get any more lumber. I was selling that lumber at from \$2 to \$3 less per thousand than the yards in town were doing, and although it was an inferior class of lumber I was making a profit on it.

Q. Where did you get that lumber?—A. From the Elk Lumber Company.

Q. Now, tell us what happened after that?—A. I went up west to buy some more lumber, and when I got to Fernie the Elk Lumber people told me that the association had been raising Cain with them, and that I would have to join. So I was cut off from that source, and I was cut off from the Standard Lumber Company at Baker. Then I

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went to Breckenridge & Lund, the Crow's Nest Pass company, and bought lumber from them after agreeing that I would join the association.

By the Chairman:

Q. When was this?—A. This was on the 1st of May, some time during the 1st of May.

By Mr. Herron:

Q. 1906?—A. Yes.

By Mr. Sloan:

Q. How did you come to cease your connection with the Western Retail Association? When did you cease that connection?—A. I think that when their yard was sold, when the Pincher Creek Lumber yard was sold, the thing dropped or it was dormant for some time.

Q. That is the Pincher Creek Lumber Company, of which you were manager, were members of the Western Retail Association?—A. Yes.

Q. You were not personally?—A. No.

Q. Now you personally are a member of the Retail Association?—A. With my partner in the Pincher Creek Lumber and Fuel Company.

Q. The Pincher Creek Lumber and Fuel Company are members of the association?—A. Yes.

By the Chairman:

Q. There was a refusal all the time to sell you lumber because you were not a member of the association?—A. That is the reason they gave me, yes.

By Mr. Schaffner:

Q. How did they find out you were cutting prices?—A. I did not know until I saw a letter here from Mr. McNicol to Mr. Wells—the way they found out. I did not know what the trouble was or anything about it except they would not sell me lumber. I did not know what they said until I saw these letters.

Q. You were cutting prices, and somebody must have informed them?—A. McNicol has a yard there.

By Mr. Sloan:

Q. McNicol is a director?—A. He is a director and manager of the Enterprise Lumber Company.

By Mr. Crocket:

Q. Was McNicol the director that would meet you and agree on the local prices?—A. Yes.

By Mr. Herron:

Q. Has this association power then to exclude a man from buying lumber, from obtaining lumber, if he sells at a lower rate than the members sell at?—A. They have power to stop him from buying lumber no matter what price he sells at, and if they don't want him to join, that settles it; he cannot get his lumber.

By Mr. Crocket:

Q. You spoke of cutting prices. Do you mean selling below the prices you had agreed upon with the other dealers at Pincher Creek?—A. I did not belong to the association at that time.

Q. It was not cutting prices that had been agreed upon?—A. No.

By Mr. Schaffner:

Q. You were selling much lower than they were?—A. Selling much lower than they were.

By Mr. Sloan:

Q. And making a pretty good thing?—A. I made a pretty fair profit because it was pretty cheap lumber of No. 2 class. They were selling at \$15.50, and I was selling at from \$11 to \$12.

By Mr. Crocket:

Q. And they complained of it before you had joined the association?—A. Before I had joined the association. There is another letter here which speaks about my running up and down and talking of cutting prices.

By Mr. Sloan:

Q. When you joined the association did you sign any agreement or have any understanding with the association about maintaining prices?—A. No. I never filled out any application form at all. Mr. Lund made application for me.

Q. You paid your fee, of course?—A. Paid my fee, but I did not ever see any application.

By the Chairman:

Q. Did they send you copies of their by-laws and constitution?—A. Yes.

Q. You are supposed to go by that?—A. I guess I never had any information about it at all. I see by the application forms here that you will do so and so, that you will stay by the by-laws, and so on, but I never had one of them and never saw one.

Q. But the fact of your becoming a member of the association?—A. I expect I am bound by it. I believe that I am bound by the association.

By Mr. Sloan:

Q. Have you any agreement among yourselves that you will boycott any mill that sells to anybody outside of your association?—A. I don't know of any.

Q. As a member of the Retail Association you would naturally boycott a mill, or perhaps I should not put it as strongly as that. You would not buy lumber from a mill that was supplying dealers in your town who did not belong to the association?—A. As a matter of business, I would not.

By Mr. Crocket:

Q. You would not buy from a mill that was supplying any dealers in your town other than those who belonged to the association?—A. No.

By Mr. Sloan:

Q. As a matter of business, you would not buy from a mill that did not sell direct to the consumer?—A. Yes.

By Mr. Crocket:

Q. And your association then practically exists for that purpose?—A. I have never been at a meeting of the association.

Q. As a member of the association you feel that it would assist you in that way?—A. I suppose it would.

Q. You got benefit out of the association to that extent?—A. Yes, although I did not want to join the association. We never reaped any benefit from the Western Association, and I wanted to get out of it, but I found it was impossible to do business unless I got in it.

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By Mr. Sloan:

Q. And the association practically forced you to become a member?—A. Forced me to become a member.

Q. The Alberta retail dealers were in a position practically to force you to become a member of their association?—A. Yes. Well, the Retail Association is all the dealers.

By the Chairman:

Q. A great deal has been said by the manufacturers that they would sell lumber to any legitimate dealer; that is about the way they put it. The question for them was what was a legitimate dealer. Do you know much of the lumber trade of Alberta, that is as to the number of retail dealers?—A. I don't know many of them personally, no.

Q. Somebody undertook to furnish us with a list of some 13 or 14 of what they called independent dealers in Alberta. Do you know of any?—A. I don't know of any except McLaren, at MeLeod, and he has the only yard there.

Q. He has the only yard in the place?—A. Yes. I might say with regard to legitimate dealers. When I went up there I referred them to the bank to show that I was able to pay for the stuff I wanted, and said I was going to start a lumber yard—I don't know what else could make a legitimate dealer—and they would not sell to me.

Q. You thought that a man would be a legitimate dealer if he was able to pay for the lumber?—A. They say a man must have a lumber yard with a supply commensurate with the needs of the district. How are you going to have lumber if you cannot get it?

Q. That is the point. There are three of you now in your town?—A. Yes.

Q. I suppose if some one else wanted to come in, some one who was in the position like yourself at the time you spoke of wanted to come in and start a yard, I suppose you would be consulted as to the desirability of having another yard there?—A. I suppose so. It used to be a rule with the Western Retail Association that no other yard could start unless there was 50 cars sold at that point.

By Mr. Schaffner:

Q. There must be 50 or 60 cars sold before they could start another yard? Do you know of any cases where they are not very particular about selling over that amount, and were trying to keep it down to 50 or 60 cars? You understand what I mean?—A. Yes, I understand. I don't know of any. When we were in the Western Retail Association there was an application made for another yard at our point, and I do not quite remember whether it was the Enterprise applied or not, but they said that they had found out from the agent we had sold over 50 cars. Well, we wrote back that we had not sold over 50 cars. At any rate they gave them the membership.

By Mr. Sloan:

Q. Were they the line yard people?—A. They were line yard people. We sold about 49 cars. We were selling all we could, and we were not holding back on it.

By Mr. Herron:

Q. Do you think the farmers are paying, or the consumers are paying, unduly high prices for lumber now?—A. Well, I know they are not paying the retailer any too much at our point. Our lumber costs us on the car now, \$20.50. That is for common lumber. I think that in judging the cost of lumber it is not fair to start with common lumber. You should take No. 2, because that would be the average. I think that No. 2 costs us, I am not quite sure, but the price list would show, I don't know whether it was \$27 or not.

Q. It was very close to it?—A. I could tell in a second if I had the price list. (After referring to price list) It cost us \$28, and \$1 more to haul it into town; that is \$29. Well, \$28, and the freight is about \$3.25; that leaves the price \$24.75 on the car for that average stuff, that is No. 2 stuff.

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Q. Do you think that is the average they got?—A. I think that is about the average.

By Mr. Sloan:

Q. Where do you get your lumber from, the Mountain mills or the Coast mills?—A. The Mountain mills altogether.

By the Chairman:

Q. They would get \$24 from you for that lumber?—A. \$24.75 a thousand.

By Mr. Sloan:

Q. What is your freight rate?—A. I think it is 13½ cents. It does not show here. They just make it up in groups.

Q. 13½ cents?—A. I think it is 13½ cents from Wardner. They grouped the towns in this list.

Q. It is a 13½-cent rate, is it?—A. I think it is a 13½-cent rate. I bought some from McLaren and it cost me less than \$1 a thousand to ship.

Q. What do you say your freight rate was?—A. About \$3.25.

By Mr. Herron:

Q. They positively refused to sell you lumber because you were not a member of the Retailers' Association?—A. They certainly did. I might say that the reason Mr. Hyde sold the business out was because he considered that the millmen were starting yards all over the country and would finally force the independent men out of business; that he could not afford to do business against them because at any time they could sell lumber at the actual mill cost, the actual cost of handling, and in many ways less, and the independent dealer could not do that; he would have to sell at the actual cost at the mill with a profit added.

By the Chairman:

Q. There are a large number of line yards there now?—A. They pretty well cover the country. —

By Mr. Herron:

Q. They cover the best points?—A. They cover the best points.

By the Chairman:

Q. They are principally what we would call manufacturers' line yards?—A. That is what we understand it, they are manufacturers' yards. I believe there are some line yards that do not belong to the manufacturers. The independent dealer there to-day is of the same opinion, that finally they will be squeezed out of business and that the manufacturers will own the wholesale as well as the retail end of it, and when they do there is nothing to stop them from putting the price where they like.

Q. That is what we have got to now?—A. This is just leading up to it.

By Mr. Herron:

Q. It is pretty well up to it if there are three hundred of these yards that have been established there?—A. They are certainly getting to it. If they were strong enough at the present time they would put me out of business, but they have not done it yet.

By the Chairman:

Q. I wish you would give me that list before you go away?—A. Very well.

By Mr. McIntyre (Strathcona):

Q. Do you think line yards are a menace to the trade in any way?—A. I think they are in the way I spoke of when they ~~are owned by the manufacturers~~

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Q. What have you to say as to the line yards owned by a joint stock company ?—
A. Well, I think it puts competition out of the business, because the small man has no chance against them.

By the Chairman :

Q. If they have a line yard at every point?—A. Well, if a man goes in to do business against them they can afford to lose money at one place in order to undersell him, and they make it up in another place.

Q. Then you would abolish line yards altogether ?—A. Yes, I believe it is a bad thing to have them.

By Mr. Herron :

Q. Is not this a line of business that originated in the west ?—A. As a matter of fact the American companies started the line yards.

By Mr. Schaffner :

Q. Is there anything further you would like to state or can you give us any information or not as to the remedy ?—A. Well, I think the remedy I see would be the one that has just been suggested, that an agent be appointed. But I do not hardly think that the consumer should be allowed to buy lumber at cost because the retailer has to live if he is to be in business at all, and he must have some business. There are very few men who want to buy a carload of lumber, while, as a matter of fact, four or five or six farmers wanting lumber would go together and would take all that trade out of the retailer's hands. I think there should be an advance of 10 per cent on the cost to the consumer when buying direct.

By the Chairman :

Q. That is what I suggested ?—A. I think there ought to be some difference between the price.

By Mr. Herron :

Q. I do not think the farmers would agree to buy together very long, they are too much in competition with each other in buying lumber for that.

Witness discharged.

MR. JOHN E. PARROTT SWORN.

By the Chairman :

Q. You are a retail lumber dealer?—A. Yes, sir.

Q. Where ?—A. At Saltcoats, Sask.

Q. How long have you been in business there?—A. Fourteen years.

Q. Have you been a member of the Western Retail Lumber Dealer's Association?—A. For about ten years.

By Mr. Sloan :

Q. How many dealers have you in your town ?—A. Two, one besides myself.

Q. Are the other people members of the Western Retail Lumber Dealer's Association ?—A. Yes, they are.

Q. Do you get together and arrange prices ?—A. No, we do not.

Q. Do you publish a list of prices ?—A. No.

Q. You do not publish a price list ?—A. No.

By the Chairman :

Q. You do not have a price list ?—A. I have a price list in my own mind.

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Q. You do not publish a price list for the public?—A. No, we do not.

Q. You do most of your business with Rat Portage and the Rainy River?—A. Yes, and I get some spruce from the north.

By Mr. Sloan :

Q. Is there any agreement as between yourself and the other dealers?—A. No, none.

Q. Is there any special arrangement for maintaining prices?—A. No, we have no agreement at all.

Q. What is the name of the other dealer?—A. The Imperial Lumber Company; it is a line yard concern.

By the Chairman :

Q. Is that a line yard representing the manufacturers?—A. No, I think it is a joint stock company.

By Mr. Herron :

Q. Where does he get his price list from, does he make his own or is it fixed for him at some other point?—A. I presume he gets it from headquarters.

Q. He gets it from headquarters?—A. I presume so.

By Mr. Sloan :

Q. In selling lumber to the consumer on about what basis do you figure your profit?—A. Oh, well, about 20 per cent.

Q. Is that gross?—A. Yes, gross.

Q. Do you give a discount to contractors?—A. Not this year, up to this year we did—yes, to contractors we give them 5 per cent.

By the Chairman :

Q. What is your present price for No. 1 and No. 2?—A. We quote No. 1 dimension and board, \$30.

Q. \$30?—A. Yes.

By Mr. Sloan :

Q. That is your retail price?—A. That is the retail price.

By the Chairman :

Q. What does that cost you to put it down—that is Rainy River stuff?—A. It will cost at the present time, there has been an advance, we get \$26 or \$27, and we are advancing this list another dollar..

Q. There was a dollar advance last month?—A. More recent than that, I think.

Q. Is there?—A. I think so. I am not altogether sure, I think we had an advance not more than two weeks ago.

Q. What is your rate?—A. The Rainy River rate would be 25 cents, it would be 22 from Rat Portage, and a 50 cent rate from the Coast.

By Mr. Sloan :

Q. Do you get any lumber from the Coast?—A. Yes, we handle considerable uppers you see.

Q. Do you get any lumber from the American side at all?—A. No.

Q. Did you ever get any during the 14 years you have been in business?—A. No, never.

Q. You have never brought any lumber from the American side?—A. No, never.

APPENDIX No. 6

By the Chairman:

Q. You have heard the last witness and several other witnesses have spoken to the same effect as to the result of the combine, that is regulating the competition, regulating the number of yards in a town. Do you know anything about that at all?—A. No. We have not had any unrest there at all. To my knowledge everything has been running quietly.

Q. You have had two yards all the time?—A. No, I was in business there for seven or eight years and the volume of business then began to increase and the Imperial people came in and put in a new yard.

By Mr. Sloan:

Q. How much lumber is sold?—A. Last year there were 92 cars.

Q. That is for the two yards?—A. For the two yards, 92 cars came in.

Q. What is your object in being a member of The Western Retail Association?—Well, I think my object in joining this association was I thought I would be in a position to get material more quickly. I thought it would give me a certain status by becoming a member of the association. As far as the association is concerned, I don't think it ever benefited me at all.

Q. Provided any of these manufacturers sold to consumers in your town you would be prepared to take advantage of the association, would you not?—A. If I had any rights undoubtedly I would.

Q. Do you think you have any rights as a member of the Western Association?—A. I have never given it any thought or never had occasion to.

Q. Supposing a manufacturer went into your town and sold to consumers or contractors, would you take any action in the matter?—A. Well, it is altogether likely I might, yes.

Q. What would you do?—A. I should write to him.

Q. Write to your association?—A. No, to the manufacturer.

By the Chairman:

Q. To the manufacturer who sold to them?—A. Who sold to these retailers, I should most decidedly.

By Mr. Sloan:

Q. Would you not call into play the machinery of the Western Retailers' Association? Would you write to your association?—A. No, I do not see why I should; in fact I have never given it a thought.

By the Chairman:

Q. There is another point in connection with that. You sold 92 cars of lumber last year?—A. It was sold in the town.

Q. Yes, by the two dealers. Well, supposing there was a third man came there, and wanted to start a yard would you not object, or the association of which you are a member?—A. I don't see how I could. They never consulted me when the other yard came in, and I don't see that they would consult me in the case of a third yard.

By Mr. Sloan:

Q. Then really from your standpoint there is practically no benefit in your being a member of the Western Retailer Dealers' Association?—A. Unless it gave me a status to get material, you understand. The manufacturers, I think it is altogether likely, have a list of our names, and I think by being a member of the association it is altogether possible we would get material that another man would not.

Q. As a member of the association you are able to buy lumber, when on the other hand you expect a consumer could not?—A. I expect they would give me the preference.

Q. You look for that?—A. I would look for that, yes.

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By Mr. Herron :

Q. Do you think this Western Retail Lumber Dealers' Association exists and is kept up purely for that small benefit, that it is going to give the members, giving them a status? Surely there are some other benefits that result from your being a member?—A. I don't know. That is the only result I ever expected to get from it.

By the Chairman :

Q. If your name was not found upon that list you probably would have some difficulty in getting lumber?—A. I think so. I really think so, yes.

By Mr. Sloan :

Q. And you naturally expect that any person who wants to get lumber in your town would have some difficulty if his name is not on your list?—A. I presume so.

By Mr. Herron :

Q. Have you the rules of your association?—A. No, I have not.

Q. Do you know that they have rules?—A. They have rules, yes.

Q. Rules and by-yaws?—A. Rules and by-laws.

Q. Is not a member of the association expected to live up to those rules?—A. Well, they should.

Mr. HERRON.—It is very important. We ought to have those rules.

Mr. SLOAN.—We have them here.

By Mr. Herron :

Q. Perhaps this gentleman will recognize these rules and say if they are lived up to. Look at the rule there (handing a copy of the rules to witness) regarding prices and see if you think that is not one of the important benefits enjoyed by members of the association? It is claimed here that they fixed prices, and each member had to live up to that. Do you know anything about that?—A. They should live up to them undoubtedly.

By Mr. Schaffner :

Q. There is one other yard in your town?—A. Yes, the Imperial Lumber Company.

Q. Do I understand you to say you had no price list?—A. Not this year. We had no price lists at all this year.

Q. You have up to this year?—A. Two years ago we had a price list, but broke away from it. We were both reaching out for business. They did not closely adhere to the price list, nor my man either. Since then we have had no price list.

Q. Then, in your town the two yards do not sell at the same prices?—A. I would not say that we don't; we never consult with regard to prices.

Q. Then, you don't know whether you sell at the same prices or not?—A. I am not sure.

Q. Do you sell cheaper than the other man?—A. Possibly.

Q. Does the other man sell cheaper than you?—A. Possibly.

Q. I think the two yards so constituted would soon find out the man that sold the cheapest would get the trade?—A. Not necessarily. Most of the business in that western country is done on time, and they come for accommodation. We give it to them and they don't question the prices.

Q. Practically you pay no attention one to the other about your price list?—A. No. It is just the same with a general store business; we don't consult our competitors. It is the same with a lumber yard.

Q. What is generally the time you expect payments on lumber?—A. We like to clean up before the end of the year if we possibly can.

APPENDIX No. 6

Q. What interest do you charge?—A. Eight per cent.

Q. What interest do you have to pay on your over-due bills, if you have any?—
A. Six per cent.

By the Chairman :

Q. \$31, you told us, was the price of No. 1?—A. No, \$30. We are going to advance the price. This is our price list, and it is \$30 for No. 1 dimensions.

By Mr. Herron :

Q. What is it for No. 1 flooring?—A. Which grade—pine or spruce or fir?

Q. I suppose that is one of the fir grades?—A. At the present time we are getting \$52 for No. 1 4-inch edge grain flooring.

Q. \$52?—A. Yes.

Q. What does it cost you?—A. About \$39, roughly speaking.

By the Chairman :

Q. That clause No. 5 there, do you think that, as far as you know it is lived up to? You had better read the whole clause.—A. The idea is all right. If they would only live up to it, but I do not think they do.

Q. Do you know of many cases where, for instance, a man has a yard all to himself, I suppose you have had some experience in that, and he gets occasionally more for his lumber?—A. Yes, I think he does; I think competition will naturally reduce the price of lumber; I would think so.

(Price list put in, and marked as Exhibit 98.)

By Mr. Sloan :

Q. Does the Imperial Lumber Company publish a price list at Saltcoats?—A. Do they publish a price list?

Q. Yes?—A. Not to my knowledge, no.

By the Chairman :

Q. The Imperial Lumber Company, did you say?—A. The Imperial Lumber and Elevator Company.

Q. Yes, they have a very large number of yards, haven't they?—A. Yes, 25 or 30, I think. It is an American institution.

Q. Their yards are principally in Manitoba?—A. No.

By Mr. Sloan :

Q. Are they manufacturers, too?—A. No, I do not think so.

Q. They are just retailers?—A. Yes.

By Mr. McIntyre (Strathcona):

Q. I understood you to say you were working for 20 per cent on the purchase price, gross profit?—A. That is what we are trying to make, yes.

Q. How do you reconcile that with this statement that you buy a certain quality of timber or lumber at \$39 and sell it at \$52?—A. Well, that is the price we charge for that, that edged grain fir at the present time, that flooring.

Q. But you only paid, according to your own statement, \$39?—A. But you must understand that we take it in a broad sense. There is some material there we are not making more than 10 or 15 per cent on, shingles, for instance, we are selling them at \$3.75, you understand, and sash and doors at the present time, we are away down below on the price.

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By the Chairman :

Q. You explain that by saying that is not a large proportion of your sales ?—A. Yes.

By Mr. McIntyre (Strathcona):

Q. I understand that taking the wholesaler's price on each car you advanced the price 20 per cent ?—A. Not on all lines. There are some lines we are making 30 per cent on, and on the other hand there are other lines we are only making 10 and 15 per cent on.

By the Chairman :

Q. The great bulk of your sales is common lumber, dimension, of course ?—A. Yes, we try to make 20 per cent all round.

By Mr. McIntyre (Strathcona):

Q. What does it cost to operate the yard, what is the percentage ?—A. I generally think it costs to lay the material down there about 50 cents a thousand ; I generally put that on it anyway.

Q. I mean the handling of the lumber ?—A. It does not cost me more than 3 per cent, possibly.

Q. Three per cent ?—A. Yes.

Q. You make 20 per cent gross profit, how much net profit would you make ?—A. Well, we are trying to clean up 15 per cent anyway.

Q. 15 per cent ?—A. That is what we are trying for.

By the Chairman :

Q. The claim has been made that it costs 13 per cent to handle a yard. We had an instance of that kind this morning ?—A. That is rather an expensive yard I should think.

Q. You sell some British Columbia stuff, do you ?—A. Yes.

Q. Well, of course it is all high price. Do you ever check in any way the weight they charge you up, I suppose you know the rate they charge you per thousand feet for freight ?—A. Yes.

Q. They give you a rate on it delivered ?—A. Yes.

Q. Do you ever have any way of checking as to whether the weight is correct or not ?—A. We check over the number of feet, we do not check the weight.

Q. Do you not, in some way, find out what the lumber really does weigh ? Supposing they charge you on 3,000 lbs. ?—A. They deliver that material at a certain price.

Q. I know they do, that is what I am trying to get at. They know what they have in their mind when they make the calculation, and in making that calculation they say the lumber weighs 2,000, 2,500 or 3,000 lbs, per thousand, and if they have put in such a weight as 3,300, as we have evidence here they have, have you never in all these fourteen years tried to check whether they were charging you on too heavy weight or not ?—A. I do not know why we should, they quote prices delivered with no deduction whatever from the invoice.

Q. But they make you pay it just the same. One witness told us here that the Canadian Pacific Railway weigh every car that they deliver, and if they had charged too much for freight, or charged the lumber at too high a rate, he told us he got a rebate from the company. For instance, if they put in 15,000 feet in a car and they said it weighed 3,000 lbs. to the thousand feet, that would be 45,000 lbs. upon which they paid freight. But suppose it turned out that it was only 35,000 lbs. weight, then the witness told us they were given a rebate when it was weighed out from the Canadian Pacific Railway ?—A. I cannot understand that at all. The way these western people quote us a price is on material laid down on our track in Salteaux.

APPENDIX No. 6

Q. I know that.—A. What the different weights are, whether 1,000, 2,000 or 3,000 lbs I do not know.

Q. It is possible then that the manufacturers are getting profit out of the freight? —A. I do not know anything about that.

Q. If the person in business would weigh the lumber it would be easy to check that?—A. I think the railway people have a schedule of rates of the different mills.

Q. That they weigh the cars?—A. They do.

By Mr. Sloan :

Q. Are there any elevators or flour mills around in your country?—A. Yes.

Q. Do they buy direct from the manufacturers?—A. I am interested in a flour mill myself, and they bought direct from me.

Q. Do the others buy from the manufacturers?—A. I do not think so.

By Mr. McIntyre (Strathcona):

Q. In making up their charges they charge you so much f.o.b. at your station, that is the way they quote to you?—A. Yes.

Q. You say it does not make any difference to you what the weight of this is, you only pay so much on the thousand feet?—A. Yes.

Q. But in making up the amount if there be a discrepancy between the real weight, so to speak, and the estimated weight upon which they make up the charge for freight the manufacturer gets the benefit of it?—A. Yes, he does, if there is any difference.

Witness discharged.

Committee rose at 1 o'clock.

THURSDAY, April 4, 1907.

The committee met at 3.30 p.m., Mr. Greenway, Chairman, presiding.

Mr. W. U. WADE, Ninga, Manitoba, sworn.

By Mr. Herron :

Q. Are you engaged in the lumber business?—A. Not at present, sir; I am in farming.

Q. Have you been in the lumber business?—A. Yes, sir.

Q. At what time and for how long?—A. I have been out of the lumber business five years. Previous to that I was in the lumber business in Ninga for say twelve years, I think, perhaps thirteen.

By Mr. Sloan :

Q. You started business there about 1890?—A. Yes, it would be somewhere about that time.

By the Chairman :

Q. You have heard about this lumber dealers' association?—A. Yes, sir.

Q. Were you a member of it when you were in the lumber business?—A. Yes, sir. Not willingly, but I was a member of it.

Q. You were compelled to be a member of it?—A. I considered that, yes, sir.

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Q. In order to get lumber?—A. Yes, sir. I was in the lumber business previous to the combine or lumber association altogether.

Q. Before it was formed?—A. Before it was formed.

By Mr. Sloan :

Q. What year was it formed?—A. I would think somewhere about 1891, I would not be positive.

By Mr. Herron :

Q. That is what is called the Western Retailers' Association?—A. Yes, sir.

By Mr. Sloan :

Q. Were there any other dealers in the town of Ninga at the time you were there?—A. No, sir.

Q. You were there all along?—A. Yes, sir.

Q. What was your object in joining? You say you were forced to join?—A. Well, sir, when it was formed—I might just explain how the matter was arranged. There were groups of yards, that is, three or four towns with, say a like freight rate, would meet together for the purpose of settling prices, that is, the retail association prices. If you did not attend that meeting the price was arranged by those that did attend, and you were sent the price list to sign.

Q. Was that before the organization of the Retailers' Association or after the organization?—A. That was set at the organization, that is how it came about. I don't think I was at the first meeting, and I was sent the price list. Afterwards if there was a meeting called of a group of yards if you did not attend, the price was arranged and you were sent a copy of the prices that were set for that district. You had to sign that or else your name, of course, would be struck off the retailers' list, and the wholesalers would not supply you.

Q. Before you joined the association were you getting this price list that was arranged?—A. As I say, I do not think I went to the first meeting of these yards; I could not be just sure upon that point.

Q. Did the Retail Association send you the lists for your particular district before you became a member?—A. I think so, sir, that is what I was wanting to make clear. I don't think I was at the first meeting.

Q. But they sent you the prices?—A. Sent me the prices. I knew that afterwards; if you did not attend the meeting, they sent you the prices.

Q. What made you join the association?—A. I joined simply because as, I stated before, if you did not sign that list to agree to sell according to the prices on that list why your name would be struck off the retail list, do you see.

By Mr. Herron :

Q. Could they enforce that law? What steps would they take to enforce that if you did not join the association?—A. Well, sir, you could not get lumber.

By the Chairman :

Q. If you were not a member of the association? That is the whole point?—A. The point is simply this, gentlemen, in brief: the wholesalers are honorary members of the retail association, and the rules of the association were that honorary members had to sell to members of the retail association only under fine if they sold otherwise, and *vice versa*; the retailers had to buy from honorary members or their names were struck off the list.

By Mr. Sloan :

Q. What was the fine?—A. Well, the fine that would be settled on——

APPENDIX No. 6

By the Chairman :

Q. Is that a copy of the by-laws that you hold in your hand?—A. Yes, sir.

Q. There is a clause there with reference to that, is there?—A. I think there is, sir.

By Mr. Galliher :

Q. Is that a copy of the by-laws of the Retail Association?—A. Yes, sir.

By the Chairman :

Q. What is the date of that?—A. The date of this one, sir, is February, 1895.

The CHAIRMAN.—You will please put those by-laws in.

By-laws put in and marked Exhibit No. 99.

By Mr. Crocket :

Q. There was a provision then for a fine in the by-laws?—A. There is a provision, sir, for fines in these by-laws. It says here for, instance (reads) ‘All fines paid into the association shall belong to the general funds of the association, except that in the case of wholesale dealers or manufacturers, being fined; the executive committee or the board of directors may divide two-thirds of any such fine among the active members of the association who in the opinion of said committee or said board, as the case may be have been affected by the action for which the fine has been imposed.’ That will answer the question I think that was asked this morning, to a considerable extent.

By Mr. Schaffner :

Q. What about this wholesale fine? Do you know anything about that?—A. It states what it shall be here also.

By the Chairman :

Q. The wholesale fine, I suppose, was for selling to non-members?—A. And also selling to those who are——

By Mr. Herron :

Q. Black-listed?—A. Blacklisted as you would call it. There is something here about that, and I don’t seem to be able to get hold of it, but I know it is here. The amount paid is here. Here you are, sir, excuse me (reads): ‘The penalty for violating the provisions of the constitution and by-laws with regard to price lists shall be a fine payable by the offending member to the association, and being the difference between the wholesale cost of the lumber and the value fixed by the price list.’

By Mr. Galliher :

Q. Did you ever know of an instance where any fine was imposed upon a wholesaler?—A. I have read you what the by-laws say, that the penalty for violating the constitution and by-laws with regard to the price lists shall be a fine payable by the offending member to the association.

By Mr. Crocket :

Q. The wholesalers were honorary members of the association?—A. Yes, sir. I think what I have just read refers to the wholesalers.

By Mr. Sloan :

Q. Is there anything else there about fines?—A. (Reads): ‘All complaints as to violation of the constitution or by-laws shall be made in writing by an active or honorary member to the secretary-treasurer accompanied by a deposit of five dollars, which shall belong to the general funds of the association if the complaint is not substantiated. If such complaint is sustained, then said sum of five dollars shall be returned to the complainant.’

By Mr. Crocket :

Q. You take it then that honorary members were subject to fine as well as active members?—A. Yes, sir, certainly.

By Mr. Sloan :

Q. You are putting that in as an exhibit?—A. Yes, sir.

By Mr. Schaffner :

Q. Who made those by-laws?—A. They were made at a general meeting of the lumbermen, I presume.

By Mr. Sloan :

Q. As by-laws of the Retail Dealers' Association?—A. Yes, sir. The wholesalers could not make them because it says here that they may be present at the meeting and speak but cannot vote.

By Mr. Galliher :

Q. You say they could not vote at the meeting?—A. No, sir. The wholesalers could not vote. They could speak but not vote. They had no say in what might be decided.

By Mr. Sloan :

Q. I see that Mr. Cockburn was still secretary-treasurer at this time?—A. Yes, sir.

By Mr. Galliher :

Q. Do you know of any instance of a wholesaler being fined under those by-laws or under any by-laws of the Retail Association?—A. I don't know. No, sir, I don't think I do.

By Mr. Crocket :

Q. Do you know how many wholesalers were honorary members of the association? A. Yes, sir. I can practically give you that. All the names are here, sir, and they extended at that time from Port Arthur to Vancouver to the number of about thirty-eight at that time, I think.

By Mr. Sloan :

Q. Are you speaking of the year 1895?—A. This is 1901.

By Mr. Crocket :

Q. How long did these by-laws from which you have been quoting in regard to fines continue in effect?—A. Well, now, I had this when I quitted business, and I presume this was the guide then, sir.

Q. And when was that?—A. Five years ago last January I quitted business.

By Mr. Sloan :

Q. You quitted business in 1901?—A. Yes, sir, January 1.

By Mr. Crocket :

Q. These were the by-laws then?—A. I had these on hand. I presume they were enforced.

By the Chairman :

Q. If they were changed they would send you others?—A. Yes, sir.

By Mr. Sloan :

Q. You paid your fees regularly into the association?—A. Yes, sir, I paid fees to the association.

APPENDIX No. 6

By Mr. Schaffner:

Q. Were you ever a delegate to the general association?—A. I have been at one or two meetings in Winnipeg.

By Mr. Sloan:

Q. What have you discussed at those meetings in Winnipeg?—A. Oh, well, sir, to be definite on that point now——

By Mr. Schaffner:

Q. What did you meet for?—A. Oh, I suppose for general discussion of things and to hear the reports of the directors for the year. The reports came up there of what moneys they had received and what they had on hand, and what they had done with it. Any questions that had been dealt with as to fines or anything of that kind. I presume they came up the same as they would in any association.

Q. Did you discuss prices?—A. Prices of supplies? Well, I don't know.

By Mr. Sloan:

Q. You say they dealt with the disposition of fines? Do you know if there was any reference to a fine fund in the reports at those meetings?—A. Well, it seems to me, sir, that we would have had the address of the president at that time and it might mention it.

Q. I am asking you if at any of these meetings you remember of any specific fund derived from fines being disposed of in any way, or if you remember there was any such fund at all? You say that at the meetings you discussed the matter of fines?—(No answer.)

By the Chairman:

Q. Did they issue an auditor's report?—A. There was an auditor's report.

Q. That would not be in the by-laws?—A. There was an auditor's report, but I don't think that is in any of these by-laws.

By Mr. Sloan:

Q. What I am trying to get at is do you think there were fines collected or levied?—A. The by-laws make provision for fines and what is to be done with them.

By Mr. Crocket:

Q. Do you know of any fines being exacted?—A. No, I do not, not now. I could not be definite on that point.

By Mr. Sloan:

Q. You stated that at these meetings the matter of fines was discussed, and I wish to know in what manner?—A. We would receive reports of any business the directors had done or any trouble they would have in any way. Of course we would receive an account of these reports at these general meetings.

By the Chairman:

Q. How many places were there in your local association. You say you included the places where the freight rate was the same?—A. I think there was Cartwright, Homefield, Killarney, Ninga and Boissevain.

Q. Places where the rate of course would be the same?—A. I think the rate was similar.

Q. And these persons in the business in these localities would meet and fix the prices for all the towns you mention?—A. Yes, sir.

By Mr. Crocket:

Q. Would the dealers meet with the directors of the association?—A. No, sir. I think we have met with the secretary. I think the first time the meeting was with the

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secretary. After that they would meet only with themselves. Of course when the price was made, whether the secretary was present or not, a copy of that price list was sent to the secretary of the association and he could approve of it or not. If he was not satisfied with it he had the power to regulate it.

By Mr. Sloan :

Q. That is the secretary of the association at Winnipeg ?—A. Yes, sir.

By the Chairman :

Q. Cockburn you mean?—A. Yes, sir.

By Mr. Schaffner :

Q. He could change your list, make it higher or lower ?—A. Yes, sir.

By Mr. Crocket :

Q. Were the dealers who were not members of the association at these points be consulted with reference to this matter at all ?—A. The dealers, sir ?

Q. The dealers at these points you have named, who were not members of the association would they be consulted ?—A. There were none.

Q. None at any of these places? All the dealers were members of the association ?—A. Well, at Boissevain, I think there was a man tried to run some business there once and one time at Killarney, but you could hardly call them dealers.

Q. So that practically the whole of the business at these points was in the hands of members of the association ?—A. Yes, sir, has been and is, in that part of the country. I know of no independent yards to speak of in that part of the country.

By Mr. Sloan :

Q. In fixing prices what percentage of profit would you figure on ?—A. Well, at that time, sir, possibly twenty per cent. That is on lumber. Sashes and doors and mouldings were more than that.

By the Chairman :

Q. And the upper grades of lumber would be more than that ?—A. Possibly some of the upper grades would be.

By Mr. Crocket :

Q. That would be an advance of twenty per cent over the wholesale rates ?—A. Yes, sir, over the wholesale rates. I should say twenty per cent, from memory.

By Mr. Sloan :

Q. Do you know anything about the lumber conditions, now, Mr. Wade, at all ?—A. I know nothing, only of course something of the retail price by simply buying lumber. I know nothing of the wholesale price so as to give you what the percentage charge is ; I could not tell you now.

By Mr. Schaffner :

Q. Have you tried to buy lumber by the carload from the wholesalers ?—A. I wrote, in January last I believe, to two wholesale firms to the effect that I had thought of starting in the lumber business again, telling them that I did not wish to belong to the association and asking if I could get lumber. One did not reply at all. Of course I did not register the letter but I presume they got it. I could not swear they did ; I wrote them, that is all. The other replied in this way: that they thought there were some independent firms where I might get lumber, but they thought I had better join the association.

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By Mr. Sloan :

Q. Have you got that letter Mr. Wade ?—A. I am sorry I have not got it, but that is the tenor of it exactly.

Q. Do you know what company sent that letter?—A. I know who it was, but I would rather not mention the name. I would give it to you privately if you have any doubt as to the correctness of it.

Mr. SCHAFFNER.—Everything goes here. I do not think there is any objection to mentioning the name of a man or a firm.

By the Chairman :

Q. I suppose it was a firm with whom you had dealt before ?—A. Yes, sir, and the reason I am satisfied as to this, I had dealt so much with this man and I respected him; in fact he is almost a personal friend. I think he respected me and that is why I got an answer or perhaps I would not have got it at all.

By Mr. Schaffner :

Q. You had bought lots of lumber from this man before when you were a member of the association ?—A. Yes, sir, hundreds of thousands of feet.

Q. And the reason you did not get the lumber this time was because you were not a member of the association ?—A. That must be clear I think ; I don't think there is any doubt upon that point.

By Mr. Sloan :

Q. Did you ever buy any American lumber, that is lumber from the United States ?—A. Not when I was in business for myself. We were on the Canadian Pacific Railway and we could not get it satisfactorily.

Q. Where did you get the most of your lumber ?—A. From Keewatin and Rat Portage and from the Coast. There was not much Mountain lumber when I was in business.

By Mr. Schaffner :

Q. When you were in the lumber business why did you not want to belong to the association ? You say you were practically compelled to join ?—A. There were various reasons, sir. In the first place, sir, if I would buy an article and pay for it I think I have a perfect right to sell where I like, if it is a free country. If I am not capable of selling at what it ought to be sold for, then I think you had better put me in the asylum. In other words, if I cannot look after my business some person ought to look after me.

By the Chairman :

Q. You don't want other persons to look after you ?—A. No, sir.

By Mr. Schaffner :

Q. You would not be selling at any less than the association, would you ?—A. Another reason I might mention, when I was in the business there the circumstances were peculiar. Some of you don't know, but I think Mr. Greenway will understand this part of it particularly. The Northern Pacific, say the Canada Northern now, ran north of me 12 or 13 miles, and at that time those men got their lumber from the States—the retail dealers on that line—and they were not members of the association. A great deal of my previous trade, at least a large percentage of my good trade I had done in the north previous to this road coming in, and as the others were not members of the association they could do just as they liked.

Q. Yes.—And consequently it cut off my business ; I was not in a position to meet that cut.

Q. These men made a cut ?—A. They could sell as they liked.

Q. They were selling lumber cheaper than you were ?—A. A class of lumber cheaper than I was selling, for instance, shingles, British Columbia shingles, I was

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selling, as I considered, a better quality than what they could get on the road, and if I had been free to make my cut on shingles I could thereby have got that trade, but I had to sell at a certain price.

Q. Could you have sold at less if you had not belonged to this association ?—A. I considered if I had not belonged to the association I would have been able to sell more lumber.

Q. Could you have sold lumber at a less price ?—A. Some of it I certainly would.

Q. Would you have sold any for a larger price than the association price ?—A. Well, I don't know that I should. I could not say that I would.

By Mr. Crocket :

Q. I suppose though if you had not joined the association you could not have got your lumber to sell ?—A. No, sir, that is the point.

By the Chairman :

Q. And of course these people that competed with you at that time they got lumber that was cheap and below the price you could buy at ?—A. Yes.

By Mr. Sloan :

Q. Where did that come from ?—A. From the American side. They had a flat rate and had the advantage in that way.

By Mr. Schaffner :

Q. Do you consider a profit of 20 per cent is a fair profit ?—A. Yes, sir, I would be glad to get it, that is if I understand by twenty per cent on the car at my station.

Q. Delivered at your station ?—A. Yes, sir.

Q. You will take it off the car ?—A. I would take it off the car.

Q. Twenty per cent is a good profit ?—A. I will be very glad to get it, and I will look after the trade if they will let me alone.

By Mr. Crocket :

Q. You say you found it necessary in order to get lumber supplies to join the association ?—A. Yes, sir. I say so distinctly and clearly on the authority of this (exhibiting by-laws). I don't see how any man can say anything else.

By Mr. Sloan :

Q. After you had joined the association did you feel that the association would protect you and see that people that were not dealers before kept from being supplied with lumber ?—A. In answer to that I would say simply this, sir: that we had trouble enough without looking for a man's fines. Provided, of course, I could prove that man sold lumber under me, you see I could have that man fined.

By the Chairman :

Q. That is if he was a member of the association ?—A. Certainly.

By Mr. Sloan :

Q. But I am speaking of a manufacturer ?—A. Of a manufacturer ?

Q. Of a manufacturer selling lumber to a man who was not a member of the Retail Association. I am asking did you expect after you became a member of the association, that you would have some protection from them on account of your being a member ?—A. I understood of course they would not sell to any person in the town in which I was in.

Q. If a manufacturer had sold to another consumer or contractor in your town what would you have done ? I ask you a straight and honest question ?—A. I presume I would have called their attention to the matter.

Q. And you would have asked that that wholesaler be censured or instructed not

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to sell that man any more lumber? Be honest, now?—A. Yes, I think I would. I did not like the association, but I think I would.

Q. Having paid your fees to the association you wanted all the protection you could get out of it?—A. Well, I would expect it anyway. Just what course I would take I would not be positive.

Q. Be honest between the two of us. You would naturally expect the association to look after your interests?—A. I would expect they would look after that man.

Q. If a mill sold to anybody outside of your association who was a retailer, you would expect your association to notify them not to do it any more?—A. I would expect them, yes.

Q. That is what you joined the association for? That weighed too, I suppose?—A. No, I would not say I joined it for that; no, distinctly not.

Q. After you joined it you wanted that protection?—A. I would not like to say I wanted it. I do say I would have expected it although honestly I detested the association.

By the Chairman :

Q. Is there just one yard in Ninga?—A. Just one.

By Mr. Schaffner :

Q. Do you know anything about limiting the number of cars to be sold in a town?—A. No, sir. I don't think the book containing the by-laws gives the number of cars. I have heard it variously stated at from 40 to 51 cars, but I don't know whether there is anything really clear on that.

Mr. SCHAFFNER.—There must have been something by which they were guided.

By the Chairman :

Q. We had it stated here at sixty cars?—A. How that was got at exactly I don't know, because I don't think there is anything here to tell.

By Mr. Sloan :

Q. How much lumber did you handle annually at Ninga?—A. That varied. I got as low, back in 1891, as less than ten cars. Then we got up to 30 cars.

Q. It would probably average 20 cars?—A. Possibly. Since that it has been much more—times have been better.

Q. Is there more than one dealer at Ninga now?—A. No, sir.

Q. There is just one dealer?—A. Yes, sir.

By the Chairman :

Q. There are about 15,000 feet in a car?—A. Nowadays, Mr Greenway, they would average 20,000 feet.

Q. There are larger cars?—A. Yes, sir, I looked over a bunch of invoices when we were at dinner, and I think that would be the average.

By Mr. Schaffner :

Q. Supposing I did not buy my lumber from you, but went down to Rat Portage and bought it, and it was shipped to me, and I would get it for less than your price. Would you get any benefit from that?—A. Well, of course, I don't think you could get it. But supposing you could get it from the wholesaler, is that the idea?

Q. Yes, and I would get it too?—A. According to the rule, you would have to pay, I think, the retail price at my point for it supposing you did go there and buy from them.

By the Chairman :

Q. But supposing it was shipped in. Supposing Dr. Schaffner got an order for _____ r point and you were the only dealer there,

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according to your knowledge of the association would they not pay you something in consideration of his having bought that car from them? Was there not something of that kind? I had the idea that \$10 a car or something of that kind would be paid?—A. I think there is nothing here to make that clear, sir.

By Mr. Sloan :

Q. You don't know of anything of that kind?—A. There is nothing here to make that clear. As I understand the matter, if they actually did that they would have to pay to the association the difference.

By Mr. Schaffner:

Q. That is the point?—A. That is what they would have to pay the association, the difference, and the two-thirds of that would be distributed to those injured by it. I think I read that.

Q. That is what you understood you were reading?—A. I think I read you that statement that two-thirds of the fine shall be paid into the association in the case of the wholesaler excepting; ‘all fines paid into the association shall belong to the general funds of the association, except in the case of the wholesale dealers or manufacturers being fined the executive committee or the board of directors may divide two-thirds of any such fine among the active members of the association, who, in the opinion of such committee or said board, as the case may be, have been affected by the action of those upon whom the fine has been imposed.’

Q. If I go to Rat Portage and buy a car of lumber for \$50 less than I could have bought that same lumber from you, I want to know whether you receive any benefit from the fine?—A. Yes, I will, that is clear enough. I want to call your attention to how binding this association is. I see in the by-laws here that, ‘Applications for membership shall be made to and decided by the secretary-treasurer. Applications shall be made upon a form which shall contain an agreement on the part of the applicant to abide by the constitution and by-laws and submit to the decision of the secretary-treasurer, executive committee and the board of directors, and in no case to resort to the courts of law in matters connected with the association. Applicants must also send the fees with the application.’ Under these by-laws the general secretary has as much authority as the Czar of Russia.

By Mr. Crocket:

Q. In the case of a member of the Retail Dealers' Association selling under the association list prices he would be liable to suspension in addition and fine?—A. He could be liable to suspension, and no person can either sell to or buy from him in connection with the association.

Q. Do you know of a case in which members were suspended?—A. We would get small statements; for instance, if it was a wholesaler we would get a statement that the name was off the list.

Q. And that would mean?—A. That we were not to buy from him; if we did we would be in the same position he was.

By Mr. Schaffner:

Q. This price list that you made out does not seem to have been of any practical use until submitted to the secretary of the association?—A. We went by it. Of course it was forwarded to him, and it was usually taken, I believe, but it had to be submitted to him. No matter what the secretary-treasurer did, if he did anything that was to our injury, you will notice by the by-law that I have just read, that we had no recourse. It says distinctly, you must not appeal to the courts of law.

By Mr. Crocket:

Q. Do you know whether the same provisions were contained in the new by-laws?—A. I do not.

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By Mr. Herron:

Q. Was the effect of these by-laws, do you suppose, that the consumers were compelled to pay more for their lumber than they should?—A. I think so.

Q. That is your contention?—A. Yes. The object of the association was the financial benefit of the members if it was anything. And not only that, but who pays for the secretary and all the office expenses, and all the travelling expenses in connection with the institution. Who pays for that?

By Mr. Schaffner:

Q. Who does?—A. The consumer does, of course; there cannot be any other answer to that question.

By Mr. Sloan:

Q. Am I to understand that, in your opinion, this Retail Dealers' Association exists largely for the purpose of dictating to the wholesalers who they shall sell to?—A. Yes, sir.

Q. In other words if the wholesaler goes outside the association to sell lumber he will be boycotted by all the retail dealers?—A. Every member of the association must boycott him or himself be in the same position.

Q. He must boycott him or be in the same position?—A. Yes, that is the law.

Q. You understood it clearly that way?—A. Yes, sir.

By Mr. Herron:

Q. Is it not necessary for the manufacturers and the retailers both to belong to the association? Is it not necessary for them both to work jointly together in order to obtain these prices that are fixed for the consumer?—A. They must work together.

Q. They must both work together?—A. Yes.

Q. The one cannot do it without the other?—A. They are bound to work together, they are bound together.

Q. If the manufacturers were strictly independent and each able to sell to whoever he liked, then the retailers could not get their work in?—A. No.

Q. They could not get their work in then?—A. No, absolutely not.

By Mr. Sloan:

Q. You stated a few minutes ago that the Retailers' Association existed for the purpose of boycotting the wholesalers if they sold outside the association, and now to Mr. Herron, you have practically stated, that it is not the case. What is the case? Are not those statements contradictory?—A. At least, I do not understand them to be contradictory, sir.

Q. The retailers would certainly try to boycott them?—A. They work hand in hand of course, if they did not the business would not hold together.

By Mr. Crockett:

Q. It is only by co-operation with the wholesalers that you can make your association effective?—A. Yes, sir.

By Mr. Sloan:

Q. Does the wholesaler make any effort to boycott the retailer if he buys from a manufacturers mill outside of the association?—A. Of course I presume he would report to the retailers who would put him off the list, and he could then only buy from an independent firm.

By Mr. Crockett:

Q. Do I understand you to say that there are British Columbia mill owners honorary members of your association?—A. Yes, it reaches from Port Arthur to Vancouver.

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Q. It will include all the dealers from whom lumber is bought?—A. For all practical purposes the lumber business is in the hands of the honorary members of that retail association.

Q. That is the lumber business of the Northwest?—A. Yes. There are a few independent persons, but you can understand why, in that country where mills are so few, you are privileged to buy from different members in order to get what you wanted at different times.

Q. Would it be a violation of the by-laws if members of the association buy from independent firms or mills?—A. Yes, you see that the by-law is imperative, 'Active members shall make their purchases of lumber, timber and other material from honorary members only.' I will give to you an instance of the boycott. I know this is absolutely correct, it was given to me by the traveller for the firm, a personal friend of mine, and I do not think he would make a mistake. It was in the town of Neepawa. There was as I understand it, an independent dealer there and the wholesalers engaged a man for \$100 per month and furnished him with lumber and told him to sell at \$1 per thousand less than the other man, no matter what the other man sold for. The man who was placed there was once a partner of my own; the gentleman who told me was once a partner of my own, and I believe it to be absolutely true and correct. That is an instance of the boycott, and if that is not strong enough, I do not know what you want.

By Mr. Sloan :

Q. You have only that statement from someone else?—A. I believe it to be absolutely correct. I give it to you for what it is worth, but I believe it.

By Mr. Herron :

Q. You think these by-laws on the whole have been absolutely put in force?—A. Sure, I observed them.

Q. As far as your knowledge of the association goes, when you were a member of it they were in force?—A. Yes.

By Mr. Crocket :

Q. And during all the time you were a member of it?—A. Yes, sir, I expected these to be carried out; of course I believe there were fellows—

By the Chairman :

Q. As a result you know of no independent dealers?—A. No sir, not any independent dealers to any extent that you can call independent.

By Mr. Crocket :

Q. In regard to the wholesale price to the retail dealer would that be fixed by the mill-owners' association without reference to the retail dealers?—A. Oh, yes, we never knew anything of that whatever.

By Mr. Sloan :

Q. What is your opinion about the price of lumber for farming purposes?—A. That is on the farms?

Q. What is your opinion of the price of lumber at the present time, and have you any opinion to offer in the way of reducing it, or of doing away with the retailer. Have you any suggestions along that line?—A. As to the wholesalers, I do not know anything of the cost of lumber. I am not in a position to say whether the wholesaler is getting too much money.

By the Chairman :

Q. Can you give us the price of the retailer?—A. Edged grain fir one and two, they are usually sold together, \$50 per thousand—

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and \$32; they have been mixed up a little lately. We used to sell 2 x 4 up to 2 x 10 and 2 x 12, we used to sell them altogether, and now there is a split for some of these sizes, and that changes these prices to \$30 and \$32 now, \$30 anyway. For ordinary dimension, red pine, No. 3 flooring and siding, that is as cheap a grade as a man can use satisfactorily, \$36 per thousand.

Q. What about shiplap, that is a thing the farmers use?—A. The price given to me by one man was \$28, but I think it is a mistake, I fancy he made a mistake in that somehow or other.

By Mr. Herron:

Q. What about common boards?—A. I did not ask just lately, I cannot give you the price.

Q. How much higher are these prices than they were a year ago?—A. I really do not know, I have not bought much inside of three or four years. I bought it by the carload when buying.

Q. Do you say these were unreasonable prices?—A. I do not know the wholesale price to-day, and I cannot give an opinion. I believe there is probably more than 20 per cent in them.

Q. Are you of the opinion that they have it in their own power to make that price whatever suits them at the present time?—A. The retailer?

Q. Both the manufacturer and the retailer.—A. Yes.

Q. They have it in their power to raise prices as they like to suit themselves through the association?—A. Oh, yes.

By Mr. Crocket:

Q. It practically controls the trade?—A. Yes, what is the object of the association?

By Mr. Sloan:

Q. Can you suggest any way of cheapening the lumber to the consumer, to the farmer?—A. Not other than this. I had never thought of that question coming up until I was sitting here, but it seems to me it could be solved in this way: You appoint a lumber commissioner, call him what you like, it will do for the present illustration, and if I make an application, as I did last winter, to one of these firms and they decline to sell me lumber, I notify the commissioner, he ascertains my standing, he can go to the bank and find out whether I am a business man and likely to give satisfaction to the community, and if he finds it so he communicates with this firm to find why they declined to sell me lumber and they would have to give on record why they did not sell it.

By the Chairman:

Q. That would break the combine, would it not?—A. It seems to me it would.

By Mr. Schaffner:

Q. It seems to me following that line that we are going to do away with the retailer?—A. I do not think it would, possibly I am wrong.

Q. If any man is going to send away for his lumber direct what will there be left for the retailer?—A. No, no, do not misunderstand me, I mean in the case of a man wanting to go into the lumber business.

By Mr. McIntyre (Strathcona):

Q. You do not mean the consumer buying by the carload?—A. No, sir, I mean a man going into business.

By Mr. Sloan:

Q. You still think the retailer a necessity in the selling of lumber?—A. Oh, yes, evidence given yesterday on that point.

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Q. Then as to the necessity of controlling them in any way?—A. If you break the combine you do not need anything in the way of control, competition will arrange all that. You see the position is that the business will adjust itself to the conditions. I know to-day a town where the board of trade are racking their brains to try to arrange in some way to better the lumber condition in that place.

By Mr. McIntyre (Strathcona):

Q. Do you not think that the present price is a question of supply and demand?—A. The present price?

Q. The present price is a question of supply and demand, do you not think so?—A. Not altogether, sir, no.

Q. You do not think so?—A. No, I do not.

By Mr. Crockett :

Q. Do you attribute the price altogether to the combine?—A. Not altogether, you see the country is prosperous and when it is so prices will advance some.

Q. I mean the excessive prices?—A. In many cases I believe the prices are excessive on account of the combine, certainly.

Q. If the combine were broken this would right itself?—A. Yes, sir; allow free competition and it will be the same as in anything else; I may be wrong, I want to be reasonable.

By Mr. McIntyre (Strathcona):

Q. You were citing instances that occurred some years ago with regard to that combine?—A. The combine is the same today or else I am very much mistaken.

Q. These regulations were some years ago?—A. Yes, sir.

Q. Now we have evidence to show that at the present time this combine, as you call it, this lumber association, will sell to anybody that will produce the security?—A. Well, yes sir, then I just want to ask you one question, in answer to that. Why did the men that I wrote to, and I think I paid them everything I ever owed them, and I never had a particle of trouble with the Rat Portage or the Keewatin Lumber Co. why did not they answer my letters written last January?

Q. Under the conditions that you were then you had lumber at a lower rate than you have to-day?—A. Well, then, why did they not write answering me and tell me last January if I could get lumber? I am on the best of terms with these men. When I left my village the other day a man told me he had deposited his cheques with the secretary to try and get the privilege of selling lumber in this town, and his cheques were returned to him.

Q. I am speaking of the evidence submitted to the committee as coming from the Mountain Association that they sell to any dealer?—A. I am stating what happened to me. I did not apply to the Mountain Association.

Q. That is just the point, did you write to the Mountain Association?—A. I did not write to the Mountain Association.

Q. Then your statement may be absolutely true to-day?—A. I think it is.

Q. The point I am making is that the Mountain Association, the members of that association, all stated in evidence that they would sell to any legitimate dealer. Of course you are citing your experience from a different point of view?—A. If that is true, the other gentlemen on the other end of the line will soon have to do the same thing—that is if that is correct.

Q. We have the evidence?—A. Of course, I cannot say, I did not write these men, and I am not therefore in a position to contradict. I will be glad to know it if they will.

By Mr. Sloan :

Q. You did not write the Mountain me^a A. No, sir, I did not

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By Mr. Crocket :

Q. If that were practical it would have the effect in a very short time of breaking up the association?—A. If they would do that, but I am afraid there will be considerable quibbling about the 'legitimate.'

Q. We have inquired about that?—A. Well, I hope it will be so. Of course, I think you had also, did you not, something to the effect that men signed and yet did as they liked afterwards, and did not stick to the price list?

By Mr. Herron :

Q. Yes, they had a lot of by-laws and rules and regulations, and a paid secretary at \$3,000 a year and yet everybody did as they liked. That is nonsense?—A. If a man signs his name to anything and then goes and gives sworn evidence afterwards that he did not pay any attention to his written signature why then——

By Mr. Crocket :

Q. Then the association is of no purpose at all?—A. No.

By Mr. Sloan :

Q. Did you ever buy lumber at less than wholesale list prices?—A. I remember having been offered it.

Q. Was the offering at less than list prices made from a mill that was in the association?—A. Yes.

Q. That was conclusive evidence that that company was prepared to break the list price?—A. Yes, sir.

Q. Have you many instances of that nature?—A. I only remember one just now. It was some years ago and might have slipped my mind.

Q. Did he give any reason for it?—A. Yes, he told me they did that to those whom they knew they could trust.

By Mr. Schaffner :

Q. Is there anything further you have to say?—A. I do not know. You were asking something about weights this morning. I think Mr. Greenway brought up the question of the weight of lumber.

By the Chairman :

Q. Yes, that is a matter to which I have given a great deal of consideration.—A. I might just say I have taken a number of invoices—I have a bunch in my pocket there—since I went home and I have added up thousands of feet and have the weights there on the invoices; I have taken quite a group of them and it confirms the opinion that I had previous to that, and that is that about 2,200 pounds would be the correct weight per thousand feet. Of course you can understand you can take timber that will vary a great deal. Some of it will weigh heavy and then you can take some other very old stuff that will go lighter, but it will average 2,200 pounds, that is pine lumber.

By Mr. McIntyre (Strathcona) :

Q. Where was that from?—A. From Keewatin. We generally used to consider 160 pounds for a thousand shingles.

Q. Yes, that will run generally 150 pounds, I think one gentleman told us that?—A. It is 160 pounds, I have weighed them myself.

By Mr. Sloan :

Q. These cars that you weighed up at 2,200 pounds to the thousand, were not pine lumber?—A. Yes, sir.

Q. Did you look up the fir at all?—A. I did not.

Q. Did you look up the fir at all?—A. Yes.

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By Mr. Herron:

Q. You have had experience in buying and selling lumber, you have had experience in selling $\frac{1}{2}$ inch?—A. Yes, sir.

Q. That is sold at the same rate, figured out, as inch?—A. Not always, Mr. Herron. If you bought the real half-inch it was, but in late years, you understand we buy what we call resawn, that is resawn out of $\frac{1}{2}$ -inch, it is really $\frac{3}{8}$ -inch lumber; now that was not sold to us at face measure.

By the Chairman:

Q. That is the only exception, is it not, what is called resawn?—A. Yes, sir.

Q. Do you do any re-selecting in your yard after a car comes in?—A. I know what you mean, I handled lumber for some years. I have been in the east and up in the mills at Keewatin, and years ago there was an opportunity of doing some selecting, that is you might raise the grades in some cases. But in later years I found that I even have to select and then charge back to the mill for I had to put the lumber in a lower grade, the mills did the selecting too closely.

By Mr. Herron:

Q. The mills had done the selecting themselves?—A. They had, and they did it too closely in the later years I was in the business.

By Mr. Schaffner:

Q. According to that the lumber is hardly up to grade?—A. Here is a point I want to call attention to, just here, owing to that lumber combine, as I call it, men are in the lumber business, and actually can remain in it whether they are qualified for the business or not in many cases.

Q. They are protected?—A. They are protected, and they bring in their lumber in many cases that I know of, and it is unloaded and piled up there, and you have to take it as it is shipped, whether it is up to the grade or not, you have to take it. I know something about shipping lumber, and I know what I am talking about, and I say that there are retailers in the business who are not practical men, and they can stay in the business because they are free from opposition and they know they will get no opposition.

Q. Is it not a fact that the lumber is not up to grade?—A. I have often had a carload come in and the moment I opened the door I saw it was not up to grade, and I have wired the man that I could not accept it because it was not up to grade. They would wire back and tell me to select it, and I have taken thousands of feet out of a car that was not up to grade. That is not done to-day, and the consumer is mulcted in that, and that is a very important point, gentlemen.

Witness discharged.

Mr. W. A. GREER, called and sworn and examined.

By the Chairman:

Q. What is your name?—A. W. A. Greer.

Q. You live at Oxbow?—A. At Oxbow, Sask.

Q. You are a retail lumber dealer?—A. Yes, sir.

Q. Are you a member of this association that we have been talking about?—A. Yes, sir.

By Mr. McIntyre (Strathcona):

Q. Have you any office in that association?—A. No, sir.

Q. You are a member of it?—A. I am.

Q. How long have you been a member?—A. Ten years.

Q. How long have you been in the reta

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By the Chairman :

Q. You became a member when you went into business ?—A. Yes.

By Mr. McIntyre (Strathcona) :

Q. How many million feet of lumber do you handle during the year ?—A. During the last three or four years we have handled probably about 1,250,000 feet.

By Mr. Schaffner :

Q. That is a year ?—A. Yes.

By Mr. McIntyre (Strathcona) :

Q. How are the prices fixed in your locality ?—A. They are fixed by the Retailers Association at the different towns that are affected by the same freight rates.

Q. Do they meet together ?—A. They meet together.

Q. At one place ?—A. To arrange prices.

Q. How are you notified of a change in price ?—A. Well, we have never been, during this last couple of years our notifications of change of price have not been in accordance with the raise in the manufacturer's price. We have sold lumber. I have sold it myself and I know that the other dealers have sold it, for six weeks to two months after the raise has taken place by the manufacturers, at the old rates before we raised.

Q. Have you any director of the Retail Lumber Dealers' Association in your district ?—A. Yes, Mr. A. H. Folds, of Carnvale.

Q. What basis, what agreement do you come to as to the settlement of prices ?—A. Our agreement that we try to figure on as nearly as possible is 20 per cent.

By the Chairman :

Q. That is of profit ?—A. Of profit, but there is 5 per cent off that for cash at 30 days.

By Mr. McIntyre (Strathcona) :

Q. That is 20 per cent gross profit ?—A. That is what we are trying to figure out as near as we can get.

Q. What per cent will it cost to operate the yards for all expenses ?—A. I think, taking all expenses, it cost me from 7 to 8 per cent; that is when you say that I include wages for myself. I am not just too sure of that, probably that will not cover it.

Q. Then you make 12 per cent net profit ?—A. Yes, that is on the whole, we do not make that on cash prices, because there is 5 per cent off the 20 per cent for cash.

Q. Where do you buy principally ?—A. Largely from British Columbia. We have usually to buy from there.

Q. Do you think the wholesale price to you is unduly high ?—A. I think that is so, yes, that it is unduly high.

Q. How do you account for that high price ?—A. Well, I cannot account for it. I think that perhaps the difficulty—I do not know, now, that is only a suggestion—I think the difficulty at the present time is with the loggers of British Columbia.

Q. You think the difficulty is with the loggers ?—A. With the loggers of British Columbia. The demand for lumber is so great that it is like everything else, the mills cannot get logs enough to keep them going, and then these men take advantage of the situation and charge prices higher than they ought to get for them.

Q. Where do you buy, from the Mountain men or from the Coast ?—A. We have to buy from about 16 different dealers to get the lumber as we want it.

By the Chairman :

Q. You get some from the Coast and some from the Mountain ?—A. We buy from Heaps, Gravely, the Canadian Pacific Railway, the Victoria people, from the British Columbia mills, and then in the Mountains we buy from three or four mills

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there. We buy from the Rainy river, from Rat Portage and from Keewatin and from the Pigeon river people, and we buy from the Hanburys, and there are some others that we buy from—the Otis Staples people, we buy from them.

Q. What is the B.C. rate?—A. Forty cents on fir and fifty cents on cedar.

Q. And the Rainy River and Rat Portage rate?—A. The Rat Portage is 21½, and I would not be too sure, but I think the Rainy River rate is 25 cents, or 24 cents, and I think Keewatin is the same, or similar.

By Mr. McIntyre (Strathcona):

Q. How many yards are there in your town?—A. Two.

Q. How much business do you do in the year?—A. I stated that before. I think myself personally I do about 1,250,000, and the other yard does—

By Mr. Crocket:

Q. Is the other yard a member of the association?—A. Yes.

Q. How many dealers are there in the district to which that local rate is applicable?—A. At Frobisher there are two, at Alabama, two, we are about eight miles, or less than eight, at Glen Ewen there are two, at Carnduff there are two, at Carivale there are two, and at Gainsboro' there are two, if I am not mistaken. There are two at Pearson, and two at Melita and two at Napinka.

By the Chairman:

Q. Do they all come in that rate?—A. Yes.

By Mr. Crocket:

Q. Are all these dealers members of the association?—A. Yes.

Q. And there is not an independent dealer in the whole district?—A. Not that I know of.

By Mr. Herron:

Q. Will any independent dealer have any difficulty in starting a yard in any of these places? Will he have any difficulty when he comes to buy his lumber if he has the money to start the yard?—A. Well, I will tell you. My associations in the lumber business during the ten years I have been in it have been so satisfactory with the consumers with whom I deal that I have not gone into that very much, because I have not had reason to. My opposition, I know, often cuts against me and the towns on each side of me cut against me; a year ago last spring at Alameda they started to cut prices there and cut them one dollar lower than they were about there.

Q. Were they members of the association?—A. Yes—one of them was not a member, and the Rat Portage people shipped him all the lumber he wanted although he was not a member.

Q. Was no complaint made?—A. Not that I know of, and it did not affect our business \$200 at that time, although it is a growing place only eight miles away. I know of men belonging to our association, that did belong to it, but they withdrew from it, and they get all the lumber they want from the manufacturers. There is one at Moosomin, I cannot give you the name just now.

Q. Is not the association supposed to protect you against competition?—A. They do not pretend to.

Q. Is it not supposed to?—A. So far as I am concerned, I know as far as it goes with us that there has never been any interference from the association.

Q. Have you sold below the association price list yourself?—A. Have I?

Q. Yes?—A. Yes.

Q. You have cut rates yourself?—A. I have had to cut to beat my opposition at different times.

Q. Had you competitors?—A. Well, the signing of these documents that we agree to at these meetings, there is only honour to enforce it, and I find nowadays

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there are few men if they think they are not getting their trade, or what they think they ought to get out of it, their honour does not go very far.

By Mr. Schaffner:

Q. How long has this condition existed that you speak of?—A. It has existed with me for the last five years.

By Mr. Crocket:

Q. And you still continue your membership in the association?—A. Yes.

Q. And you pay your dues?—A. Yes.

Q. What do you do it for?

By Mr. Herron :

Q. What are your annual dues ?—A. \$7.50 a year.

By Mr. Crocket:

Q. Then the association is of no advantage to you?—A. Practically no advantage. I do not see it has ever been any advantage to me.

Q. Then why do you continue in membership?—A. For this reason. If it has no effect at all on keeping up prices, as long as the profit is a fair one, I do not believe in exorbitant profits, and more than that, we have found men at some of those meetings that wanted to charge more profits than we would consent to put on—men who would have taken that advantage if they could have got it.

Q. You will find men at these meetings who want to put up the prices beyond what you are willing to go ?—A. Yes, we have found men who wanted to go higher than we thought was a fair profit.

Q. But an agreement was reached ?—A. Yes.

Q. And every member of the association in that district would be supposed to abide by it ?—A. Yes.

Q. And you say they did not abide by it ?—A. They did not.

Q. You held meetings periodically to arrange prices ?—A. Yes.

Q. Knowing that the agreement was not lived up to ?—A. Yes. And I took and figured on the price list last year and I considered that our prices are not excessive. It seems to me in connection with this lumber concern there are certain things coming up that have given a wrong impression that there are sides to the question that are not looked at as they should be that have a bearing. Now, with regard to the competition, I figured on a list, and I figured just as the price list was, and I did not get the order. It was a \$750 or \$800 order. I found out that the price list had not been complied with, that at the other yard which supplied the goods, I found that the price was about \$100 cut. I made no complaint because I look at things like this that if you are in business and doing business with the community as a whole, there are ways that they can get at you, and if that man could afford to sell that lumber at that rate I was satisfied to let him do so, because it was only going to bring the man against me if I made a complaint, from a business point of view.

Q. Did you speak to the dealer himself ?—A. I did, and he allowed that he had only cut \$25.

Q. You did not bring it before the association ?—A. No, sir, I did not.

By Mr. Herron :

Q. How can the association exist under those conditions, what does it exist for ?—A. It exists for this— in my own case what it exists for is before I went into business ten years ago the association was in then, but our town had only started a few years before that, and when a town first starts half a dozen men may start if they want to, the manufacturers will sell to them. But if they all go out but one the association does not want another man to sell there until there is enough lumber sold for

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profit for that man'to live. There were three or four started with us, but two of these men failed the year before I went into business and it was for this reason—you must not forget that coming into that country we have a class of people who have not very much money; they have to have lumber, and they have to have time on it. If you are going to allow a cut-throat business where you have to give such accommodation to the consumer then the retailer is not going to be in a position to help the consumer.

By Mr. Crocket :

Q. You say you were meeting this cut ?—A. Yes, but they did not stay at that. These men came back from the men who had cut their prices at first, and I found that some of them were giving a dollar higher than they could have got it from me.

Q. Then the agreements amount to nothing ?—A. It has never been of any benefit to me.

Q. But you meet periodically to make them ?—A. Yes, that is the idea.

Q. When did you meet last ?—A. Well, for this reason, supposing you throw the lumber market wide open, it is a different business to anything else. Supposing there is a lumber dealer or any man in a town, and there are half a dozen men within fifty or sixty or 100 miles who can see a chance to make \$25 or \$50 on a car of lumber, he can cut the by-law of the Retailers' Association to pieces if he is going to accommodate a consumer.

Q. When did the retail dealers of your district last meet ?—A. On the 10th of February or the 11th, I am not sure which.

Q. Of this year ?—A. Yes.

Q. Were all these dealers there ?—A. I am not too sure if I am right on that date. We had appointed a day earlier than that, but we had to alter the date two or three times, but I think the last date fixed was on February 11.

Q. Were all the dealers there ?—A. No, there were only two dealers besides the local dealers there.

Q. Was the local director there ?—A. Yes.

Q. He generally has attended your meetings ?—A. Yes, I think so. It is the only meeting I have been at in three years, although the list is sent to each one, and we accept it you understand.

Q. You agreed on prices at these meetings ?—A. Yes.

Q. And the list was sent out to all the dealers in the district ?—A. Yes.

Q. And you say you did not care whether they lived up to that agreement or not ?—A. That I did not care?

Q. As a matter of fact they did live up to the agreement ?—A. As a matter of fact a great many did not live up to it.

Q. How long before the February meeting did the directors meet to arrange the prices ?—A. Did the directors meet?

Q. You spoke of the last meeting in February. When was the nearest meeting prior to that ?—A. We did not have one. We appointed three different dates before we could meet on account of the snow blockade.

Q. When was the last agreement made with respect to prices ?—A. Some time between the 6th and 10th of February.

Q. But before that I am speaking of ?—A. Before that, the last meeting ? Well, they raised a dollar some time in the fall previous to that, but, I don't know of any meeting. The wholesale price went up \$2. I think it was, and then they went up \$2 more and we did not raise.

By Mr. Herron :

Q. Would that be before December last, 1906 ?—A. Yes. Before that it went up some time in December, I think, \$1.

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By Mr. Crocket:

Q. And you tell us that notwithstanding these agreements are made periodically that they are a regular failure and that there are no complaints made and nobody cares?—A. I don't say that. I am speaking of myself, that I made no complaints. There was no complaints made that I know of from my opposition or there was none from me.

Q. But you say they are violated frequently?—A. Yes, sir.

Q. And you know of no complaints being made?—A. No.

Q. To the association?—A. No, I think about four years ago that opposition, which is not the same as it is to-day, did make a complaint and allow that I was cutting prices when I was not.

By the Chairman:

Q. Have you a price list?—A. Yes.

Q. Have you it with you?—A. Yes (produces price list).

By Mr. Herron:

Q. Your association then limits the number of yards?—A. Yes.

Q. You acknowledge that?—A. Yes, sir.

Q. They limit the number of yards?—A. That is they try to limit them, and I think that probably in most cases they effected that.

Q. If there is one yard in a town they decide whether there is to be another or not?—A. Yes.

Q. And what way have they of putting it into effect? Supposing you go further and carry that to its logical conclusion. How do they prevent a second man from starting a yard or a second dealer from starting business?—A. I have been told that the manufacturers refuse to sell to him.

Q. You think the manufacturers refuses to sell to him?—A. Well, I have known a case that I can recall where they do so. I believe that James McKeown started at Arcola. I am not sure of this, but I think he did belong to the association when he started. I would not be too sure—and I know that he got all the lumber that he wanted. In this case at Almeda the Rat Portage people shipped lots of it in.

By the Chairman:

Q. They started a yard for themselves?—A. This man who was in the wood business sold out since to the Crown Lumber Company, that is a company of local dealers.

By Mr. Crocket:

Q. That was an independent yard?—A. No, they belong now to the Retail Association, but they shipped to this man, the Rat Portage people did, and he did not belong to the association.

By Mr. Herron:

Q. If your association fixes prices and nobody obeys them, and they decide how many lumber yards should be in a town and there is no attention paid to it, then I fail to see what this association is for?—A. I will tell you what I think; I think that the association and the manufacturers care very little, if a man in the town is able to pay their bills, whether they cut the prices or not. That is my candid opinion. But there are lots of places where men are starting up in the business that have not got very much money and I think they do then interfere.

By Mr. Crocket:

Q. You have taken care to retain your membership in the association during all the time you have been in business?—A. Yes.

Q. And paid your fees regularly?—A. Yes.

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Q. And you want us to believe it is of no advantage to you at all? Is that it?—
A. I cannot see where there is any advantage at all, sir.

Mr. HERRON.—I think that will do for this witness.

The WITNESS.—I cannot see there is any advantage.

By the Chairman:

Q. The price list you have produced is the one presently in force?—A. Yes, that is our price presently in force, but when we put that price they told us that lumber was going up \$2 a thousand.

Q. And you added that to it?—A. No. I made arrangements for that because I cannot get any lumber in, and I have scarcely any in my yard, and it has raised a dollar already. You men when you asked me that question—now I am candid in that—I don't think that the association has been one particle of benefit to me, I don't think so, any more than this way it might be a benefit, as I just stated, that if it was thrown wide open some men would save in who just want to handle a few cars, men who just had the money for it. In that way it would affect me.

By Mr. Crocket:

Q. That is the reason that you belong to the association, is it?—A. Yes, in that way it might affect me.

Q. That is the only reason?—A. That is the only reason, and I don't think it would be fair if those men did that, to men who had to keep up a line yard to accommodate the consumer.

Q. Then it is to prevent competition that you belong to the association?—A. Well, perhaps in that light, if it is looked at in that light. Take for instance, my position to-day. We have to pay for western lumber from \$150 up to \$250 a car. That is all cash. I think I paid the Canadian Pacific Railway last year \$14,000 in freight. Now, we get in very little money on that lumber, and we have to go to the banks to make arrangements for it and I tell you gentlemen we are carrying a further load; I have not collected 30 per cent of my money yet this year.

By Mr. Sloan:

Q. What are the banks charging you for interest?—A. They are charging me seven per cent, but it costs me over eight when I figure up everything in connection with the bank. But seven is what they pretend to charge.

By Mr. Herron:

Q. What profit do you figure on making in a year's business?—A. What profit?

Q. Yes? How much do you figure on making on a year's business in your lumber yard?—A. You mean—

Q. What is your investment in the lumber yard. How much money does it take to carry on the business?—A. Well, my business is not all in the lumbering, and I have not kept it separate.

Q. Give us an idea? You can tell whether it takes five or ten thousand dollars to carry on the lumber business?—A. To carry on the lumber business?

Q. Yes?—A. Well, our business as it stands to-day we could not carry it on less—we have put altogether in cash into our business somewhere about \$20,000.

Q. What profit will you make off that in a year do you think?—A. What profit would I make?

Q. Yes?—A. Well, of course, I have been in the business for ten years and the profits have been accumulating. The money that we had last year in the lumber business would be probably about—well, of course, the other business they are all connected together—our assets in the company last year would be probably about, counting our land holdings and everything, about \$55,000 probably, and we have that as a credit behind us for the banking business we do. When we balanced our books on the 1st of January, at least when we make it up we had \$88,000 of open accounts in the

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country, and we had something like \$20,000 in notes, and we had collected then only about 21 or 22 per cent of our money.

By Mr. Sloan:

Q. These open accounts, do you charge interest on them?—A. We charge it from sixty to ninety days from the day we sell the lumber.

Q. How much do you charge? What is the rate of interest?—A. We charge ten per cent.

By Mr. Crocket:

Q. How much do you estimate that you should clean up in a year as profit on your lumber business? Several witnesses have been asked and told us. Now, how much do you estimate that you should clean up as profit in a year on that business?—A. In our business my brother is with me and my cousin is with me, and my brother has a certain interest in the business and my cousin.

Q. Well, I am speaking of the lumber business?—A. That is what I am speaking of now and we are not taking out of the business any money—that is for ourselves—any more than it barely takes to live. I think our profits on lumbering are about \$7,000 a year, but we have to take out of that what our time would be worth and then the interest on the freight and money that we pay and all these things, and insurance and everything like that—that is extra.

By Mr. Herron:

Q. Have you three separate lumber yards?—A. No, just one.

Q. You would not expect three men to live out of that and divide this \$7,000? One man would run one yard?—A. One man?

Q. Would he not?—A. I don't know. I work as hard as any man and my brother does, and we cannot attend to the yard, and it takes one man to look after the books. We cannot do it to-day with the money in the country. I have been looking after the accounts all the winter with my brother and cannot get it closed up.

Q. I mean managing the business?—A. One man cannot manage it certainly. I am only counting the wages for the other man. I am saying we are not taking any money for ourselves out of the business, that is all in our profits each year.

By Mr. Sloan:

Q. That is you do not divide the profits at the end of every year?—A. No, we do not divide them at all, it still goes into the business.

Q. You draw out just your living allowance?—A. Yes, sir.

By Mr. Herron:

Q. Is your business as good this year as it was in 1906?—A. My business this year is not as good as it was a year ago.

Q. Is it as profitable?—A. Is it as profitable?

Q. Yes?—A. No, sir, because we have too much money in the country and we are taking too much risk, and often we have to go and do things to look up money to save ourselves. That we don't want to do but what are you going to do? These people come to you and they must have lumber. They are men that are honest and all right, but they get into difficulties and that is where the trouble comes in.

Q. That occurs in every business, that is not confined to the lumber business?—A. That occurs in our business, too. I can assure you it is my experience.

Q. Do you think lumbermen should be protected more than any other men because they are in the lumber business?—A. No, I do not think they should be.

Q. They should take their chances of bad debts?—A. I don't think they should be protected, but I don't think there is any man in business today in the western country that has taken the chance that the lumbermen are taking and have to take.

By Mr. Crocket:

Q. Well, you have made money out of the business?—A. If I get my money I have made money.

By Mr. Schaffner:

Q. That is the experience all over the country?—A. If I get my money I have made money, but I don't feel very well to-day, and if any man comes along and wants to buy my property tomorrow I will sell out and give it to him for what it is worth, one hundred cents on the dollar. That is the way I feel. I tell you the transportation problem is ruining the men in the west at the present time.

By the Chairman:

Q. What proportion of your British Columbia stuff is freight?—A. Is which?

Q. What proportion would the freight bear to the cost of the lumber, the British Columbia stuff, I mean?—A. It is forty cents on the—

By Mr. Sloan:

Q. Well, what is the weight per thousand?—A. The greater portion of our lumber from British Columbia is dimension and shiplap and common boards, and I think that the dimension will run about 3,000 lbs. to the 1,000 feet. It is very heavy stuff.

By the Chairman:

Q. I was talking of the freight rate?—A. It is from \$10 to \$12 a thousand as near as I can tell.

Q. How many thousand in a car?—A. My cars averaged last year 25,000. They are all big cars, some of them went as high as 28,000.

By Mr. Sloan:

Q. How many cars did you handle last year of lumber?—A. Somewhere about fifty. There may have been two or three over that; I am not just sure of that to a car.

By Mr. Schaffner:

Q. Who is the director in your part?—A. I gave his name, Mr. Fords.

By Mr. Herron:

Q. Are these directors paid when they make these periodical trips?—A. That is a question I cannot answer. I never attended a meeting at Winnipeg only once in my life, a lumberman's meeting.

By Mr. Crocket:

Q. Did you have any complains to make at that meeting?—A. Well, that is about six or seven years ago.

Q. You cannot say whether you went to make complaints or not?—A. I could not say today.

By Mr. Herron:

Q. Were you not at a meeting that the retailers have had, did you not tell us?—A. I met them?

Q. That is locally?—A. Yes.

Q. Was the question brought up about this investigation or had you a discussion in any way?—A. It was not discussed. It was mentioned that the investigation was likely to take place, but it had no bearing on our prices.

By Mr. Sloan:

Q. You raised the prices?—A. We raised the price. We were selling up to that time at \$30 for dimension, and we raised to \$32, because they told us that lumber was

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going to go up. It had increased some time before the 13th of April, and we did not want to have anything to do with making any other rise, and it has gone up one dollar since.

By Mr. Crocket :

Q. You did not expect anybody to live up to that agreement particularly ?—A. When we made it we expected everybody to live up to it ?

Q. Yes.—A. We expected them to, certainly.

By Mr. Herron :

Q. You told us they never did live up to it ?—A. Yes, I know they never lived up to it, I have had myself to cut prices at different times if my opponent cut prices with me.

By Mr. Crocket :

Q. It makes no difference if he did not live up to it, nobody pays any attention to it ?—A. I do not think it is the case in every place, I do not think it is so in every place.

By Mr. Herron :

Q. I thought you told us some time ago that the manufacturers would raise the price in British Columbia, and you would continue on for months selling at the same old rate ?—A. We have, last year.

Q. This time you took the bull by the horns and you raised the lumber \$2 for fear it might raise in the future.—A. You must not forget that we were selling that lumber at \$29 and \$30 all the winter when we were paying \$25.50 for it, that was only 15 to 17 per cent on our money.

By Mr. McIntyre (Strathcona) :

Q. Did you say that one of the results of these meetings of the local dealers association was to reduce the price as well as to raise it ?—A. That their meeting was to reduce it.

Q. Yes.—A. Well, that was the case some years ago, that lumber was reduced. We were selling I think at \$28 when I first went into it, and we reduced it until we sold at \$23 or \$24 to the best of my knowledge.

Q. You also stated it had a restraining influence on certain members ?—A. Yes, I found that. I am speaking of what some men wanted to do, they said they ought to have more profit for their lumber, and our association as a whole, that is our part of it that met there, after talking over matters generally determined that they should put on what they considered a fair profit. Another thing I might say that after William Whyte, the first vice-president of the Canadian Pacific Railway, had posted his list three years ago in our town, I never had a farmer make a complaint to me since that he thought the retail prices were too high and that list stayed there the whole year, and it was only last summer it was torn down. Until that time they would not believe we were paying the prices for lumber that we were paying for it, until I showed the farmers that came in to give orders. It was said the other day by a man with regard to contractors, I think it was Mr. Taylor, that if they sold a man who was a contractor lumber and the price went up afterwards they did not fill the bill. We have always filled any bill we ever took at the price at which we took it, even though the prices went up a month or two afterwards.

Q. Mr. Taylor's point was that in the case of the retailer ordering from the manufacturer they would not fill the order ?—A. Oh, yes, well, I misunderstood him.

Witness discharged.

Committee adjourned.

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WEDNESDAY, April 10, 1907.

The committee met at 10.30 a.m., Mr. Greenway, chairman, presiding.

Mr. J. A. THOMPSON, Winnipeg, sworn.

By Mr. Schaffner :

Q. Where do you live, Mr. Thompson ?—A. Winnipeg.

Q. What is your business ?—A. Lumber and hardware.

Q. Retail ?—A. Yes.

Q. How long have you been in that business ?—A. I have been in it about eight years, since I first started handling lumber.

Q. Was it always in Winnipeg ?—A. No, I have never sold lumber in Winnipeg by retail.

Q. Where did you sell lumber ?—A. In Saskatchewan, Arcola and other points ; running west from Arcola towards Regina.

Q. How many yards had you ?—A. Six.

Q. Were you a partner ?—A. No, it was a joint stock company, limited.

Q. Who are the members of the company ?—A. R. F. Hay and myself are the two principal owners.

Q. Who else ?—A. R. F. Hay and myself are the two principal owners. There are also two or three small owners.

Q. Who are the smaller ones ?—A. A. M. Watt, Arcola ; D. B. Jones, Winnipeg ; Cameron & Campbell, Forget.

Q. You have been in the retail trade of Saskatchewan for eight years, is that right ?—A. No, I was interested in lumber in Elgin, Manitoba, eight years. I have been interested in the retail trade in Saskatchewan for six years.

Q. You are a member of the Retail Association ?—A. My company is.

Q. Well, that is the same thing ?—A. Yes.

Q. The committee want to know if the names you have given are the names of all the gentlemen connected with this company ?—A. There was one or two other stockholders.

Q. Who are they ?—A. Morton Morse, Winnipeg, and C. W. Gimby, Stoughton, Saskatchewan. There is one share held by J. G. Hossack, solicitor, Winnipeg.

Q. What is the name of the company ?—A. Moose Mountain Lumber and Hardware Company, Limited.

Q. You are a member of the Retail Association and you have been for how many years ?—A. It is eight years since I first joined it, I think about that time.

Q. Give us a statement of what you know about the retail lumber trade in connection with the association ? You may give us the objects of that association, why you joined it, and what benefit it is to you ?—A. At the time that I first joined the association I believed it was a necessity to belong to it in order to conduct a lumber business and get the best results. That was some years ago.

By the Chairman :

Q. You mean by that, that in order to be able to deal with the best firms and get a good stock of lumber you would have to be a member of the association ?—A. That was my idea at that time.

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By Mr. Schaffner :

Q. You stated that you thought it was a necessity? Why was it a necessity?—
A. I am speaking now of some years ago. I think that better results could be secured in the way of purchasing lumber at that time—that is some eight years ago—by being a member of the association than otherwise. Those conditions have very largely changed within the last few years.

By Mr. Herron :

Q. Was it not the idea that you could combine together and get better prices, prices more profitable to the men in the business?—A. I am not aware that the Retail Lumbermen's Association ever fixed the prices, that is the retail prices; I am not aware of it at all.

By the Chairman :

Q. That is the association as an association?—A. Yes.

Q. But the members of it?—A. The members of it might arrange prices just the same as one competitor with another could do so.

Q. The committee has been told, and it has been corroborated by several witnesses, that the system under which prices were fixed was that a local director and the local dealers would get together and arrange the price for eight or ten yards they represented?—A. That is practically correct. What I mean by saying that it is practically correct is this : that a group of dealers get together and they formulate a price list which is considered a fair price list; one that will give the dealers in that group a fair remuneration for the lumber which they sell. That is naturally considered a fair list and is the one they recommend should be adopted.

By Mr. McIntyre (Strathcona):

Q. Would they not sell to independent dealers?—A. Who do you mean, independent dealers?

Q. Those in the district that you represented?—A. It would not make any difference whether they were independent dealers or not. If there is a group of yards in a territory covering forty miles where the conditions are practically the same it does not make any difference whether they are members or not. As a matter of fact at the six points that I have been operating, two yards are not members of the association.

By Mr. Schaffner:

Q. Not members of the association?—Not members of the association, that is all you can say about it.

Q. Did they meet with you when you fixed these prices?—A. Yes, they were always parties to these prices.

By Mr. Herron:

Q. Did they agree to adhere to the prices you fixed?—A. No person agrees to such a thing as that. What I mean is when a group of men get together to fix a price list nobody agrees to or is asked to adhere to that price. That price is arrived at by discussing each item throughout the list. Some of them have advanced in a wholesale way and others may not. That price list is arranged as being a fair one. It is adopted by those that are there, but there may be certain interests not represented there. For instance I might not be there, my competitor in the same town as myself might be there. It is entirely optional with us whether we accept that list or not.

Q. After you arrange that list is anything further done with it?—A. Nothing except to give each party a copy.

Q. Is there a director present?—A. There may or may not be; it is immaterial.

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Q. Is it one of the duties of the director to be present?—A. Well, I understand it is the duty of the director in a territory to look after the general interests of the membership of that territory, and I should judge one of the interests would be to have a uniform price, a fair price. It is generally understood that prices should be the same at points taking the same rate of freight, where conditions are equal. It is in the interests of business that they should be.

Q. Is this price list sent to the secretary of the Retail Association?—A. I am not aware that it has been done.

Q. It has been stated here that it was?—A. That may be, I am not aware of it.

Q. I am just asking you?—A. That may be.

By Mr. McIntyre (Strathcona):

Q. Does this association have any restraining influence on the establishment of another yard where you are operating?—A. No.

Q. Would you not, if an additional yard was intending to open up in your town, would you not appeal to the association for protection against further competition?—A. No, we could—I will make this statement which is perhaps new to most of you, or to all of you—I would not give the value of that piece of paper for membership in the association for the purpose of buying lumber at any point at which I may want to open a lumber yard in Manitoba, Saskatchewan or Alberta; that is to be admitted to membership as an assistance for buying lumber.

By Mr. Schaffner:

Q. Buying or selling do you mean?—A. I mean buying from the mills.

Q. Why not?—A. Because I can buy from any mill in Canada that I want to buy from without being a member of the association. That is the position, so far as I am concerned.

By Mr. Herron:

Q. You were a member of the association?—A. Yes, but there are other objects which the association has in view.

By Mr. Lancaster:

Q. How do you know what it will be worth to you to be a member? or what you would be able to do if you were not a member?—A. I know what my competitors are doing. I have stated that out of six places where I am doing business, in two of them I have competitors who are not members of the association and they get all the lumber they want.

By the Chairman:

Q. Are there many members of the association?—A. Yes,—these men I refer to could get membership at any time.

Q. You stated that 'at that time;' I suppose there was a difference between the association when you joined it and now? I ask you because you appeared to have had something on your mind when speaking about it?—A. Well, I mentioned that there was a more close understanding between the manufacturers and the retailers at that time.

By Mr. Herron:

Q. When was that?—A. I am speaking now of eight years ago. As far as I am concerned it did not make any material difference, because I was not buying lumber at that time on the Canadian side.

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By the Chairman :

Q. Have you any knowledge of the fact that has been brought out clearly here that this association controls certain points, that unless a certain number of cars were sold at any one point they would not admit to membership at that time?—A. You are speaking of some years ago.

Q. Yes?—A. I believe that is correct.

Q. Have you any knowledge when that changed?—A. I fancy the change was about three years ago.

By Mr. Schaffner :

Q. You spoke about 'fair remuneration,' what do you consider fair remuneration?—A. We have always considered that about 20 per cent or 25 per cent would be fair remuneration, but some lines of lumber would take a larger margin of profit on account of its not being sold so extensively.

By Mr. Herron :

Q. What would that be per thousand on the average for lumber, common and dressed lumber; take lumber now costing \$26?

By the Chairman :

Q. That is wholesale?—A. Wholesale, that would be \$6.50, which would make the price \$32.50, that is in excess of the present prices we are getting. The present price we get would be about 20 per cent, I think it is.

Q. How much?—A. 20 per cent, I think. I will figure it out and give it to you.

Q. We have a large number of price lists which have been put in evidence, and of course, one of the principal questions submitted to this committee is the excessive price of lumber?—A. Yes.

Q. Now, it occurs to me, having given a good deal of consideration to this question since we began, that the average price of common lumber in Manitoba is \$32 per thousand; that is the price we have so far?—A. The common lumber which is most generally in use, might be considered as the ordinary dimension boards and shiplap?

Q. Yes?—A. They cost from the Coast \$25, and 50 cents unloading, which is \$25.50; the charge for unloading must be considered in the cost, and I think that is fair to take the cost of putting it in your yard. Our price is \$31 for that.

Q. Is that at Arcola?—A. That is at Arcola and different points similarly situated.

Q. That is \$1 below what we have here, was there not a recent advance, last month?—A. Let me see, there must have been a recent advance then.

Q. I think on March 8 there was one?—A. \$31 is our price list here, this is dated February 20, 1907.

Q. I think you will find there was an advance since then?—A. No person has any authority to advance these prices.

Q. Of course no one has any authority to advance your price list, but I am speaking generally?—A. Well, I can make this statement, that unless it has been done last week there has been no advance at Arcola or Regina in the territory in which we operate.

Q. Is your rate the same as to Manitoba points, the forty cent rate?—A. Yes, it is the forty cent rate.

Q. While we are speaking of that there is another thing I would like to deal with. What do you pay the Canadian Pacific Railway for freight on an ordinary car of fir?—A. For the freight?

Q. Yes, it is the forty cent rate?—A. It will run—

Q. About \$12 per thousand?—A. No, it will not average that, but it will run that high in some cases.

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Q. That will be 3,000 lbs. weight to 1,000 feet?—That will be 3,000 lbs. to the 9 feet.

By Mr. Lancaster :

Q. What rate do you say you pay ?—A. Forty cents a hundred, it runs that high, but it will not average that high. Speaking of profit, Dr. Schaffner, \$25.50 is what our dimension costs us.

By the Chairman :

Q. That is fir dimension ?—A. Yes, and that will give us a margin of \$5.50, does it not ?

Q. Yes.—A. Well, that is just about 20 per cent on \$25.50. \$5.10 would be 20 per cent would it not ?

By Mr. Schaffner :

Q. That is over the wholesale price, you have added fifty cents in there for unloading ?—A. It is all the same, it is part of the cost that has to be paid.

Q. There seems to have been a great loosening up of the stringent rules and by-laws of the association, when did it take place ?—A. About three years ago.

Q. What was the cause of it ?—A. That took place three years ago if I recollect. Possibly I might give you a little history of what took place at that time if it is new to you. About three years ago, in February, I think, a large number of the Coast and Mountain manufacturers met in Winnipeg. At that time there was a large amount of cheap American lumber coming into Western Canada at prices very much below the Canadian prices, and it caused a great deal of alarm in the minds of manufacturers throughout the west, as their market was being supplanted by this cheap American lumber, principally Minnesota pine and fir from the west. They formed an association at that time for the purpose of keeping a check on the amount of this lumber coming in and the way it was being sold.

Q. Excuse me one moment, lumber was reduced in price about that time, was it not ?—A. Yes, lumber was reduced in price about that time, it had been higher the year before.

Q. What was the reason of the reduction; it was not the American coming in ?—A. The Americans had an over supply at that time, just the same as we had a year and a half or two years ago and they dumped their surplus on the Canadian market.

Q. That was probably rough lumber ?—A. Probably rough lumber.

By Mr. Sloan :

Q. When did you say you met, in Winnipeg ?—A. Speaking from the best of my knowledge, I would say was in February, 1904, about three years ago. At that time these manufacturers expressed the opinion that they were affording some protection to the retailers, and that the retailer was then buying where he could buy best, my recollection of it is that the understanding which formerly existed between the manufacturers and the retailers was withdrawn.

By the Chairman :

Q. Was that at the time the honorary members withdrew from the association ?—A. That is my opinion, yes, that was about three years ago. That is my understanding of the matter.

Q. Well of course the feeling is, that the price of lumber is inordinately high, and what the committee would like to get at is an authoritative opinion from some one. For instance we have been told here that the manufacturers have not been making any money up to date ?—A. Yes.

Q. I have here an offer which was made to a gentleman in Calgary on July 5, 1905. The offer was to deliver lumber f.o.b. at Calgary for \$14 a thousand ?—A. That is rough lumber is it not ?

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Q. That is rough lumber. For the same lumber on March 27, that is last March, —and you can verify the price by the list—this is what he says : ‘In reply to your inquiry of the 25th instant *re* timbers, we beg to inform you that we can ship immediately. Price, \$2 per thousand plus No. 15 list.’ Now have you that 15 list?—A. No, I have not it with me.

Q. Well, it is here, No. 15 list, and the price there is \$23.50?—A. That, with the \$2 added would be \$25.50.

Q. Yes, \$25.50 is what they are asking for that lumber to-day?—A. That would make a difference of \$11.50 per thousand.

Q. Yes?—A. Well, I don’t know the circumstances. That may be some special timber. That advance has not been generally applicable to the—

Q. You told us a few minutes ago you paid \$25 at your place?—A. The advance is \$11.50 as I figure it.

Q. Yes.—A. That is a greater advance than has taken place generally.

Q. It is of course $4\frac{1}{2}$ a thousand freight rate that I am talking about?—A.—Yes.

Q. Which would be very much more exorbitant than yours?—A. Yes.

By Mr. Schaffner :

Q. The situation seems to have been very much like this : There was a manufacturers’ association and there was a retail dealers’ association. The members of the Manufacturers’ Association were honorary members of the Retail Association. The manufacturers could sell to certain men, who were members of the Retail Association, but they were not to sell to any others and that arrangement was interchangeable. You were to buy only from them?—A. No.

Q. And to sell to anybody?—A. Yes, anywhere.

Q. And sell to anybody?—A. Yes there is no restriction of any kind to any extent.

Q. There are none to any extent?—A. None to any extent. I am not restricted in buying from any person or selling to any person; I am free to do as I like.

Q. That is not what it says here. These are the by-laws of 1905?—A. I don’t know what the by-laws are—I don’t know that I have ever read them—I am speaking of the practice. I am not referring to the association by-laws, I am referring to the practice. I don’t know what those by-laws are and I am not interested in knowing. So far as the association is concerned I might state this: that of late years it has not accomplished very much. The members seem to be dissatisfied and possibly the greatest cause for the existence of the association during the last year or two has been the formation of an insurance company for the purpose of carrying all or a portion of their insurance.

Q. I notice they have been giving great attention to insurance, but after all it does seem a little strange that some of the brightest men of the country should have an association, and adopt by-laws and rules, and pay no attention to them?—A. Well, it may. I stated that I am not familiar with them.

By Mr. Knowles :

Q. Did you ever sign the roll?—A. For what purpose?

Q. The membership roll. Is there not a membership roll which the members sign?—A. Agreeing to comply with certain things?

By Mr. Lancaster :

Q. Anything at all?—A. If you are referring to one thing I have in my mind I will say yes.

By Mr. Knowles :

Q. I am not referring to anything?—A. Well, I frankly tell you, I go to our association meetings and sign the register.

By Mr. Lancaster:

Q. Recording your presence ?—A. Recording our presence, that is all.

By the Chairman:

Q. After you pay your annual fee do you not sign something ?—A. I do not know; I could not tell you.

By Mr. Knowles:

Q. When you join do you sign the roll ?—A. I do not think so.

By Mr. Sloan:

Q. Do you sign an application form ?—A. We sign an application form but don't know what it contains. I suppose you could get that.

By Mr. Knowles:

Q. You do not know what the application form is ?—A. I don't know; I know I pay my fee.

By Mr. Lancaster:

Q. Did you ever see a list of members ?—A. Yes they are printed.

By Mr. Knowles:

Q. Can you not brush up your memory and tell us whether you signed an application form or not ?—A. I would not say yes or no. To the best of my opinion I did. If I signed it I suppose it would be on file.

By the Chairman:

Q. How long would this association have been in existence up to the time of the change which you say you made three years ago ? Can you tell us that ?—A. Probably ten or twelve years.

Q. How long ?—A. Probably ten or twelve years.

Q. That would have enabled you to get your membership well established and fill up the country would it not ?—A. The membership is changing; people are going in and out.

Q. I know but up to three years ago things were getting pretty good at that time, and throughout the country, so far as Manitoba was concerned, yards would have been pretty well established, so that the members of this association would have a hold of the trade. Would that not be true ?—A. Well, I don't know that it has any bearing. It may have, but I don't follow your line of thought.

Q. Well, my idea is that the association, which had existed in very different shape, had reached a position in which it could control all the trade at the different points ?—A. My idea would be this: If I am in the retail business at any point for ten years I have an influence.

The CHAIRMAN.—That is what I am trying to get at.

By Mr. Lancaster:

Q. And would that not apply to the association ? If you as an individual had an influence would not the association have a multiplied influence ?—A. To what effect and purpose ? It will apply in this way that I have an influence on the people doing business with me at this point and another man who was located there would have an influence and so on. It might certainly happen that one hundred men would have an influence throughout a certain area.

By the Chairman:

Q. You do not seem to catch my point. I mean that the yards within the association would have established themselves, staked down so to speak, throughout the

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country, and whatever the evil effects of the association might be, as far as taking control of the trade was concerned, they would have been brought about by the existence of that association for ten or twelve years?—A. I am not aware of any evil effect, although I will be glad to answer any question.

By Mr. Lancaster:

Q. Let me put it this way to you as the idea of the Chairman: The effect of the stringent operation of the association, if we can use the word, was to establish in business its own members and to force out of business the people who were not members. When they relaxed their stringency they had established on a sound footing all their own people to do the trade as against anyone else, no one else was in there to compete with them. Altho' they had relaxed their stringency they had established in their own association the members who had the market?—A. I cannot follow it, I cannot see your argument.

Q. I will put it in another way. Supposing the manufacturers of agricultural implements all combined and sold so low and did other things, to control the trade and put out of business every small manufacturer?—A. Yes.

Q. Having succeeded in doing that, although they might relax the rule and allow themselves to sell under a little less stringent rules than they had before, the evil effect would still be in the country for want of competition?—A. If I understand you correctly you assume that certain people were driven out of business by the low prices and by the continuation of those low prices for years?

Q. Not necessarily by the low prices, but by the operation of a combination under which, if they did not belong to, they could not continue in business.

By the Chairman:

Q. Mr. Thompson was rather getting away from the idea I had. It is not a question of driving people out of business, but of not allowing them in. For instance, I hold in my hand here a letter signed by Mr. Cockburn, secretary of the Retail Dealers' Association, which returns a cheque to a party, stating that they have decided they could not accept that fee for membership. That kept that man from going into business.—A. Is that of recent date?

Q. No, it is not very recent, 1904, I think.—A. You will distinctly understand that what I have stated as present conditions are the conditions which exist in recent years.

Q. But I am trying to impress upon you the previous conditions which brought about the result that obtains now. I fancy you will agree with me. I suppose you will call your yards line yards?—A. Well, possibly with six yards, yes.

Q. There are a number of these have come into existence and that has changed the conditions in some places, the business passing from a private dealer to a line yard in a great many cases. Now, of course, that has brought about the change that you say took place three years ago?—A. Yes.

Q. So that of course the conditions have changed and the question is has it enabled the line yard people to find out the very best points and get possession of them?—A. There is one thing I would like to make quite clear to you, and that is that if it were not for the matter of insurance and what might be considered ordinary courtesy in the trade, membership in the association, if I wanted to open up a new yard, I would not spend \$25, or whatever the fee for membership is, for the purpose of buying my lumber or selling it to anyone.

By the Chairman:

Q. That is quite true now, but of course we are quite sure, and the chairman is of the same opinion as the other members that it was not true some years ago.—A. Yes, the conditions are much changed.

By Mr. Sloan:

Q. Do you state you would join now for the purpose of getting insurance?—A.—Yes, that would be the greatest consideration.

Q. Tell us something about the insurance, that is something we have not heard much about yet?—A. The members of the association got a charter, I am the president, for an insurance company, and we have a board of directors and a Manitoba charter, and we insure the lumber stock of the members of the Retail Association.

By Mr. Lancaster:

Q. You have your own insurance at cost price?—A. On a mutual basis.

By Mr. Sloan:

Q. And you will not insure a man who is not a member of your association?—A. No.

By Mr. Lancaster:

Q. You can in that way make it quite a penalty on a man for not joining your association?—A. We consider we are quite within our rights in doing so, we believe we are.

By Mr. Sloan:

Q. Have you a copy of the constitution of that insurance company with you?—A. No, I have not.

By Mr. Lancaster:

Q. Do you mind telling us how much less a man who is a member of your association gets his insurance than he would if he did not belong to the association?—A. I may make the statement that before we were organized three years ago, we were paying on an average, possibly \$3.50, and our cost for the past two years has been under one per cent.

Q. And what was the other?—A. As against \$3.50, that is a reduction in the neighborhood of 75 per cent.

By Mr. Sloan:

Q. But you do not insure anybody who is not a member of the Retail Lumber Dealers' Association?—A. I say, no, that is our policy not to do so, I will not say that we do not, but our policy is to insure only our members.

By Mr. Lancaster:

Q. That is a saving of \$2.50 on \$100 worth of stuff?—A. Yes, it is a reduction in the neighborhood of 75 per cent.

By Mr. Herron:

Q. Is it not one of the objects of your association to turn the lumber trade entirely in the hands of gentlemen who are members of that association? Is not that part of its object?—A. I think perhaps that will be put better if you say that the object is to turn all those that are in the trade into the association?

Q. Perhaps that will be a better way to put it?—A. I think so, the object of the association is to have all the retail lumber dealers among its members.

Q. Did you state that your association did not fix the prices in the different localities?—A. I did.

Q. Did you state that?—A. Yes.

Q. That seems to be rather strange judging by the correspondence here. Do you know anything about the Imperial Elevator Company?—A. I do.

Q. They are in grain and lumber?—A. Yes.

Q. Are they members of the association?—A. Yes.

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Q. We will now take up some correspondence of this nature, here is a letter dated February 6, 1907, addressed to Isaac Cockburn, Esq., Secretary of the Retail Lumbermen's Association, Winnipeg.

EXHIBIT No. 101.

'DEAR SIR,—Will you please advise us if there has been any arrangement made with regard to adjusting prices on the Kirkella line, the M. & N. W. and Miniota line. The farmers in each district will soon be making inquiries for prices on next season's bills, and we would very much like if a new price list could be got out on each line as soon as possible.

Hoping to hear from you by early mail, we are,

Yours truly,

IMPERIAL ELEVATOR COMPANY,

Per WATSON.'

Q. Does that look like fixing prices?—A. I think I can explain that. I understand that letter to mean that the gentleman who wrote it represents the Imperial Elevator Company, and thought it was time the list should be made for that line on account of the increase in the wholesale prices, and suggesting to Mr. Cockburn, that the meeting should be called for that purpose.

Q. That looks then as if it was part of the objects of the association to fix prices?—A. That would not mean that the association would have any bearing whatever in fixing prices.

By Mr. Lancaster :

Q. But they are all members of your association?—A. The secretary could call the meeting and bring them together, or he could send a copy of that letter if he wished to each member in the district.

Q. But the whole object of that meeting would be to fix prices?—A. The object of that meeting would be to arrange prices.

Q. The writer of that letter thought at that time that the price list was fixed, and was fixed by the association?—A. Probably that would be right in view of the fact that there had been an increase of several dollars in the wholesale price.

Q. The point is simply this, whether you are right in suggesting that the association had nothing to do with the fixing of prices. It strikes me that the writer of that letter thought that the way to get the prices fixed was to apply to the association to do so?—A. I think you are reaching farther than you ought to in that interpretation.

Q. Then tell me how, I want to be right?—A. As I interpret your remarks you think the association fixed the price?

Q. I think it is the writer who thought that the way to get them fixed was to get the association to do it?—A. I think the writer of that letter thought that the way to get the price fixed was to get the secretary of the association to call those members together in order to fix their own price.

By Mr. Herron :

Q. That would mean that the director for that district would have to meet with you?—A. Yes.

By Mr. Lancaster :

Q. You think my inference is wrong insofar as relates to the association fixing the price?—A. Yes.

Q. But I think I am right that he wanted the association to call the local members together to fix the price?—A. Certainly.

Q. He wants to compel them to do so?—A. Not to compel them, but he makes the suggestion that they should get together and consider it.

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Q. He makes that suggestion not to them, but to the secretary of the association, thinking apparently that the association has some string on them?—A. Yes—no, not that the association has a string on them, no, no, not a string, no. I understand that letter and the spirit in which it was written as I have stated.

By Mr. Lancaster:

Q. Well, if you thought I would do a thing of my own volition or because you asked me, you would not use the influence say of Mr. Herron or the chairman to get me to do it, but if you were to try to work Dr. Schaffner and Mr. Sloan to do something it must be because you thought they had some string on it?—A. You are entirely wrong.

Q. Then why not apply to the men themselves and ask them to do this?—A. It is a most reasonable proposition if the mills have advanced the wholesale price three or four dollars a thousand that the members who are paying that price should want an advance also.

Q. Why not call a meeting of the men who wanted to fix the price?—A. That would have served the same purpose except that it would have required the writing of a letter to each of the interested parties.

Q. If you are right in your idea?—A. Yes, but I know I am right and know what I am talking about in this matter.

Q. If you are right I cannot see yet why he wanted to get your association to do it when he could have got the members of the local association?—A. It would have accomplished exactly the same thing only it would have required the writing of many more letters. I do not know how many members or how many dealers there are—I am not conversant with the circumstances—but instead of writing to each member to get together and fix the prices he wrote to the secretary.

By Mr. Sloan:

Q. You are admitting that the dealers did get together and fix the prices?—A. Most certainly, I never denied that.

Mr. HERRON.—Because it was the season when the farmers would want lumber.

By Mr. Schaffner:

Q. That railway is the Manitoba and North Western line is it not? that goes through Neepawa?—A. It is called the M. & N. if I understand it.

Q. I wonder why he selected those particular districts any more than any other?—A. Possibly the price list may have been unusually low there and may not have been changed for several months. At other places it may have been changed. The idea is as I interpret that letter. Mr. So-and-so, whoever he may be, the Imperial Elevator in this case, is interested in that line and the prices may not have been changed for a long time. He suggests that they should get together and fix prices and I will not deny that we did get together and make our prices.

By Mr. Lancaster:

Q. But according to the letter he did not suggest that the dealers but that an officer of the association should do it?—A. I don't know the wording of his letter, but that is immaterial, that means that the secretary of this association wanted to get those people together for the purpose of fixing their price.

Q. If the secretary of the association had not any better string why should he write to the association instead of getting the local dealer to do it?—A. Because of the work involved no doubt. To relieve himself of the work?

Q. It was a matter of writing half a dozen letters?—A. I don't know how many there might be. There might be other points in which he is not interested at all to which that new price list might apply. It might be of no interest whatever to that man but they would have to come together in making their prices.

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By Mr. Schaffner:

Q. I gather from what you say the Imperial Elevator Company may have line yards?—A. I suppose that is the interest he has.

By Mr. Lancaster:

Q. Let us be fair with each other. I want to be fair with you. This letter says, 'Will you please advise us if there has been any arrangement made with regard to adjusting prices on the Kirkella line, the M. & N. W. and Miniota line. The farmers in each district will soon be making inquiries for prices on next season's bills, and we would very much like if a new price list could be got out on each line as soon as possible.' Now he does not only ask him to make these prices but he wants to be advised if there has been any arrangement. Apparently he believes that if the association made an arrangement he was to be bound by it?—A. Excuse me, would you mind giving me the date of that letter?

Q. February 6th, 1907.—A. Now in answer to a question by this gentleman as to what the influence was——

Q. Mr. Herron, yes.—A. He said if I understood him that the advance in price was on account of the fact that the farmers would soon be wanting lumber.

Mr. HERRON.—Yes.

By Mr. Lancaster:

Q. The letter says that you know?—A. Well, Mr. Herron wanted a little explanation of that. The farmers don't buy lumber in December, January and February.

By Mr. Herron:

Q. We know that?—A. Therefore the price list might not have been changed in those months. It might have been allowed to drag on as it was to the fall when the farmers are buying lumber. When the time comes, as he suggests, the price would be fixed to give the retailer a fair profit.

By Mr. Lancaster:

Q. And the price would be arranged by the association apparently?—A. That suggested that the association should call them together, not that the association should arrange it.

Q. It asks whether the price has been arranged?—A. Whether it has been arranged?

Q. Yes?—A. He is not asking merely if it had been arranged, he is asking for information if it has been done.

By Mr. Herron:

Q. Here is a letter of June 11, 1906, to Mr. Isaac Cockburn, (Exhibit No. 102), 'We are in receipt of W. R. Martin's letter of June 6 and note what he says about us delivering lumber in Wapella. In reply to this we would say that Mr. Martin is entirely wrong as we are certainly sticking strictly to prices.'—A. Yes.

The Chairman

Q. Who is sticking to prices?

Mr. HERRON.—This is a letter from the Imperial Elevator Company addressed to Mr. Cockburn.

Mr. LANCASTER.—Sticking to what prices?

Mr. HERRON.—Some one has evidently complained. The letter goes on to say (Reads). 'In regard to delivering lumber will say that in nearly every case we always charge for the delivering. We have written our man at Wapella about this matter and feel there is no use taking any further notice of it. We return herewith Martin's letter.' I should judge that fixing prices was the principal part of your business although you say——

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Mr. SLOAN.—What date is that?

Mr. HERRON.—June 11, 1906. I think it is rather important perhaps to refresh the witness' memory in some of these things.

The WITNESS.—I have no doubt you read it correctly.

Mr. HERRON.—In a previous letter dated May 25, 1906 from the Imperial Elevator company to Mr. Cockburn appears the following: (Exhibit No. 103, 'We are in receipt of a letter from our agent at Wapella in which he states that Mr. Martin attended a council meeting.' That is a kind of higher title.

The CHAIRMAN.—Probably he has attended a Municipal Council meeting.

The WITNESS.—That is what it looks like.

Mr. HERRON.—(Reads) 'Mr. Martin attended a council meeting in that town a few nights ago, and because he is not getting as much of the town trade as he thought he should have, he created quite a fuss.' I should judge this was a meeting of the Council of the Lumber Association?

The WITNESS.—The Council of the Retail Lumber Association. I would not understand it that way.

Mr. HERRON.—(Reads). 'And gave them a full account of the visit you and Mr. Clute made to that place in regard to fixing up prices. He also apparently made capital stock of it, and tried to point out the result of your visit, that is he gave them to understand that the result of your meeting was the cause for the advance in prices at Wapella.'

By Mr. Herron:

Q. Now, this council meeting, whatever it was, evidently seemed to be for the purpose of fixing the price?—A. I would understand, as the chairman does, that it is the municipal council he refers to there. I do not think it is the association, it would be ridiculous to think of anything else.

Q. Then, of course, he says, 'Now, we think you should take this matter up with Martin, and try and point out to him the trouble he is liable to cause by acting in this manner, as we think he should, as a member of the association, keep matters of this kind strictly to himself.'

By the Chairman:

Q. I think that is in reference to supplying lumber for municipal purposes?—A. That would be my idea.

By Mr. Lancaster:

Q. Who is Mr. Clute?—A. I do not know.

Q. This writer says, 'He created quite a fuss, and gave them a full account of the visit you and Mr. Clute made to that place in regard to fixing up prices.' Apparently Mr. Cockburn and Mr. Clute went to this place, Wapella, together, and the letter continues, 'He also apparently made capital stock of it and tried to point out the result of your visit.'—A. Excuse me, is that letter addressed to Mr. Cockburn, the secretary of the association?

Q. Yes?—A. And it states that Mr. Cockburn and Mr. Clute were at Wapella?

Q. Yes, and it says that Mr. Martin made quite a fuss, and gave a full account of the visit that Clute and Mr. Cockburn made to this place in regard to fixing up prices.

By Mr. Sloan:

Q. Who is Mr. Martin?—A. I fancy he is a retail lumber dealer at that point, I fancy so.

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By Mr. Lancaster :

Q. The letter continues, 'He gave them to understand that the result of your meeting was the cause for the advance in the prices at Wapella,' and he goes on to say, that he thinks the matter should be taken up with Martin. He was liable to cause trouble, and who should, he thought as a member of the association, keep such matters strictly to himself ?—A. Yes.

Q. You were all this time a member of the association and Mr. Cockburn was secretary ?—A. Not all the time.

Q. Well, you were at that time ?—A. At the time of that letter ? Yes.

Q. Did you ever hear of that before ?—A. I am not an officer of the association, these things are dealt with by the officers.

By Mr. Schaffner :

Q. Is there any penalty in connection with this association ?—A. For what purpose ?

Q. For members not obeying the rules ?—A. I know of none.

Q. Was there ever ?—A. Well, now, I suppose the rules will speak for themselves, I could not tell you.

Q. There seems to have been fines, there certainly were fines in connection with the Wholesale association and also with the Retailers and a certain amount of money was collected as fines, according to the report, and while it does not mention fines I may tell you there are penalties to it, and members can be expelled; I presume this is about the last by-law, it is 1905 ?—A. Well, I do not know, that would no doubt show what the condition was at that time.

By Mr. Herron :

Q. When you caught a man shipping to a town or a point outside of his territory ? I understand his membership entitles him to sell within a certain radius, and that radius is defined by the association rules ?—A. I do not know that it is.

Q. I thought you had a radius beyond which you cannot go to sell lumber to anyone ?—A. That would be understood, but I do not know, in fact I am satisfied—what I refer to by this is the opening up of a new yard in another town, that is what I refer to.

Q. Well, that is what I mean, the selling outside of a certain radius ?—A. Well, hardly the same. Say there are three or four towns, if I get a membership in the association for one town, that does not apply to the other towns.

Q. That is you could not overlap the territory of the man in the next town ?—A. Overlap ?

Q. Yes, there would be some sort of imaginary line where you had jurisdiction, or where your membership practically ceased ?—A. No, you are entirely wrong in that.

Q. Are you sure of that ?—A. I am quite sure, what I refer to is this: if I have membership here in this town, in order to comply with these rules, although I had membership in one town, if I wanted to open another yard I would have to apply for membership in that place.

By Mr. Sloan :

Q. What Mr. Herron is referring to is an imaginary line between those different towns, beyond which you cannot go in selling to customers. Is that what you mean, Mr. Herron ?

Mr. HERRON.—Yes.

A. Well, he is wrong, because that is not the case.

Q. What do you say in regard to this letter of Mr. Cockburn, of March 27, 1906, from the Imperial Elevator Company, (Exhibit No. 104).

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'Dear Sir.—We have your letter of the 26th in regard to the lumber claimed to have been sold to Jones Brothers, of Bienfait, by our manager at Alameda. We have written to our manager in regard to same, and soon as we hear from him, we will advise you.

'We might state, however, that our managers have strict instructions not to sell to parties outside of their territories, excepting at their regular retail price, and this of course, would not pay them to buy and ship to their own town. We certainly do not ship any carloads of lumber at any price into territory other than our own.'

That letter is certainly very plain?—A. I think that is quite right and reasonable.

Q. That is what I am trying to get at.—A. Now, if I understand you right here are two towns with an imaginary centre line between them, I understand you to ask me if that man should not confine himself to that line. That is not so, that is not the case. That is a different thing altogether. As I understood that letter, he says that he certainly does not load this lumber and ship it to their own town from another yard. It would be a ridiculous thing to do, it would not be a proper thing to do.

By Mr. Lancaster:

Q. The word 'territory' is used here and refers apparently to one man's territory as against another; what is his territory?—A. If you define 'territory at all I should say it means that territory tributary to the point at which he had membership.'

Q. When would it cease to be tributary?—A. It would be imaginary, I suppose, if a man came from twenty miles further it would not make any difference.

Q. Here is a man who says that he has strictly enjoined his managers not to sell to parties outside their territories; this man who writes this letter evidently felt he was bound to state that, 'our managers have strict instructions not to sell to parties outside of their territories, excepting at their regular retail price, and this, of course, would not pay them to buy and ship to their own town.' You will notice that the word 'territory' occurs there three times?—A. I think that is quite reasonable.

Q. Can you give us any light upon what he means by 'territory' there, other than what you say?—A. Do you mean what may be shipped past two or three stations? For instance, I have marked there four towns on this piece of paper, if the writer of that letter was here (indicating on paper), I understand what he means that he might ship past two or three stations up here in car lots, and he says: 'We certainly do not do that kind of thing.' That they do not sell outside their own territory, except at their regular retail price 'where we are doing business.'

By Mr. Sloan:

Q. That is in connection with large quantities. Take the case of the farmer coming into your town. He may have come past two or three other towns, there may be a town at ten miles away and one fifteen miles away, and there may be another thirty miles away. He probably goes to a town thirty miles away to get his lumber; if you are doing business at an intervening point only fifteen miles away would you object to him going to that man because you are nearer to him than the other man?—A. Certainly not, the purchaser has the right to go wherever he wishes and the man has a right to sell to him.

Q. I do not know whether you have the territorial divisions down as fine as that?—A. No

Q. They are not defined by actual metes and bounds?—A. There is not even an imaginary line.

By Mr. Herron:

Q. These letters would indicate that there was?—A. The division would be, if any, half way between that point and the next one.

By Mr. Lancaster:

Q. They might move that point according to whether they have customers or not?

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—A. They go wherever they can get business. A man may be wanting extensive credit, and that might govern it.

Q. Here is a letter (Exhibit No. 105) of February 23, 1906, from the Alameda Farmers' Elevator and Trading Company, Limited, addressed to Mr. Cockburn. It is signed by R. H. Scott, the manager.

'On my arrival home from Winnipeg I found that the Imperial Elevator Company had reduced their prices considerable.' This is talking about the very company that wrote these other letters. 'We were both asked to figure on a deal last Monday (being a barn for a man by name of Jerry Coffee, the result was that they sold'—that is the Imperial Company—'their prices being three dollars per thousand less than ours. They sold this man dimension lumber at \$21 and signed a contract to that effect. Also signed papers that if the lumber was not satisfactory when Coffee's men drew it out that he (McDonald) would pay the expense of hauling it both ways. Now, I consider this a funny way of doing business. I went to their man, Mr. McDonald, and wanted to talk the matter over. He would not think of setting a price. He claimed he got word from head office, and if there was any money lost it was not his, so that I consider that I have done my part, and if they keep on selling I will be compelled to meet their present prices, and when it gets so that I cannot make anything I will close up our yard until they make up their minds that they have enough. I will hold my price, no matter what they do, for another week, and if there is nothing done in that time I don't think they can blame me. Our prices are the same as their price was last fall, and I will give them or any other man \$20 for every thousand feet that they can prove that we have sold below their prices.

For their information, we have started an up to date yard here and we will be here just as long as the Imperial Elevator Company. We are going to stay with it regardless of cost, if it can not be done in any other way. We would ask you to all that you can to get this matter settled before it goes too far. Thanking you in anticipation, we are, yours truly.'

This is signed by the Alameda Farmers' Elevator and Trading Company., Ltd., R. H. Scott, manager.

That would strike me as being a complaint by this man that the other fellow was setting prices, and that he in self-defence would be compelled to slash also, and that in the interest of both the association should seek to take hold of it and fix prices that would bind them both?—A. Yes.

Q. That he is reducing and will go on still reducing?—A. And he has already reduced \$3.

Mr. HERRON.—Yes, that is what he says.

By Mr. Lancaster:

Q. He states to the association 'You should take hold of this and fix it'?—A. I fancy that at the time he wrote he would be glad if anybody would take hold of it; it would make no difference whether it was Mr. Cockburn or anybody else.

Q. I would draw the inference, unless you can show me that I am wrong, that this association being in existence this man complaining about the Imperial Elevator Company thinks this association existed for the purpose of compelling both of them to live up to a certain standard by which they would both make money?—A. I think your interpretation is quite wrong.

Q. Well, what is the reason he wrote that letter?—A. You use the word compel. That is not correct.

Q. Well, use his influence?—A. The writer had in his mind that the secretary of the association would use his influence for the purpose of getting those people—

Q. To agree with him?—A. Not to drive him out of business perhaps as he predicted.

Q. He says he will drive them out?—A. Knowing there was a scrap predicted there—

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Q. Yes?—A. He apparently had in mind that if the secretary would use his influence to prevent it, it would be very possibly avoided.

By the Chairman:

Q. What influence would the secretary have?—A. Not any more than any other man or any other individual; none, whatever.

By Mr. Lancaster:

Q. Why not write to Dr. Schaffner, or to some of these dealers?—A. Mr. Schaffner would not be receiving any remuneration out of the retailers whereas the secretary of the association does.

Q. For what purpose?—A. For looking after the business of the association I assume as set out in the by-laws.

Q. For getting him to do just such things as this man was asking? He was a paid man, is that the reason they wrote to him?—A. He was a paid man; that would be the main reason.

Q. He was paid to do this thing and that is why they asked him to do it?—A. The secretary is paid to devote his time to the business of the association.

Q. And incidentally they thought that the business he was paid to do was to get this fellow to quit cutting prices so that both companies could go on and make money?—A. I think it would be a very reasonable thing for the secretary to do to try and prevent any ruinous competition of that kind.

By Mr. Herron:

Q. With reference to a matter we were discussing a little while ago when I was explaining that the name sometimes had something to do with things, I notice the word 'Council' here again?

Mr. LANCASTER.—I hope they do not spell it s-e-l.

By Mr. Herron:

Q. Here is a letter of February 17, 1906, from T. L. Parrett, Souris, Manitoba?—A. Patrick, is it not?

Q. No, Parrett.—A. From Saltcoats, is it not?

Q. No, Souris.—A. No, Saltcoats, I think.

The CHAIRMAN.—It is not Parrett, but Arnett.

Mr. HERRON.—Yes, Arnett it is. The letter is as follows (Exhibit No. 106).

'I have your favour of the 24th inst., and in reply would say that as you know and are aware that we have some very unpleasant opposition here and occasionally have considerable trouble, Kerr has recently sold a bill here 8 x 8, 28, for \$23 per thousand, with shingles and other things in comparison. As a matter of fact, taking it all round his prices are no better than ours, but he gives a general impression that he is selling cheap by selling an odd bill cheap and advertising it. If you will look at my advertising carefully you will notice that it was of only ten days' duration, and may say that all that I actually sold at those prices was a few pieces of 2 x 4, and although selling shingles at that price I did not sell one.'

The CHAIRMAN.—Offering, I suppose he means.

The WITNESS.—Yes.

Mr. HERRON.—(Reads) 'Shingles I have on hand cost me \$2.10 laid down here, and if I had sold them I would not have lost very much. Since I have been in this town I have always kept the name of the "Dear Man"'—Whoever that is?

Mr. SCHAFFNER.—How does he spell the word 'Dear'?

Mr. HERRON.—D-e-a-r (Reads) 'I have always kept the name of the "Dear Man" for keeping up the prices, sometimes to my own detriment. At our annual convention we decided to put a travelling secretary on the road. The association is

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ignorant as to whether this has been done or not, as we have received no word from the council as to what has been done. We have had no price list for some time, and are trying to get things in shape, although it is going to be pretty hard.

‘Yours truly,

(Signed) ‘T. L. ARNETT.’

The CHAIRMAN.—Somebody has been complaining there evidently.

Mr. HERRON.—Yes.

By Mr. Lancaster:

Q. He would not mean municipal council there?—A. No, I do not think so.

By Mr. Herron:

Q. I think I was right before?—A. Well, whether that is the case or not, Mr. Sprague can inform you. I am not competent to do so.

By Mr. Lancaster:

Q. Is there a directorate or a committee called the council of the association?—

A. Not to my knowledge; I do not think the by-laws provide for that.

By Mr. Schaffner:

Q. When somebody has been doing something that a member would complain of he sent in to the secretary treasurer, and if the secretary treasurer could arrange it all right. If this man appealed from the decision of the secretary treasurer the matter would go to the directors?—A. I understand that.

Q. If the directors supported the secretary treasurer this man was expelled. That is provided for in the by-laws of 1905. Whether there is anything later than that I don't know?—A. I do not know.

Q. I would call that a council, this board of directors?—A. He may have meant that.

By the Chairman:

Q. The committee have asked several witnesses if they could suggest any way by which the price of lumber could be reduced. That is the great point after all. I do not know whether you would care to make a suggestion, or whether you have anything in your mind to suggest?—A. I have nothing in my mind at present which would tend to reduce the cost to the farmer with the wholesale price standing as it does to-day.

Q. Have you any means of knowing whether the wholesale price is a fair one or not?—A. I do not know whether it is a fair price or not, but it is either too high now, or it was too low a year and a half ago; either must be wrong.

Q. Did you say the price for dimension timber laid down at your place from British Columbia was \$25?—A. Yes.

By Mr. Lancaster:

Q. Do you think the wholesale men enjoy an undue profit?—A. It is either too high now or else too low a year and a half ago.

Q. Do you know which it was?—A. I think it was too low then. It may have been, there were two extremes and that there is a medium between them.

By the Chairman:

Q. You have been in the lumber business for a great many years? Rough lumber has practically doubled in a few years in price, has it not?—A. I would—

Q. If you take \$31 or \$32—\$32 it is in most cases?—A. I consider that the price of rough lumber at the mill, taking off the freight, is practically double what it was a short time ago.

Q. My question was more in regard to the consumer; is it not double to him?—

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A. No, I do not think so, you must take quality into consideration. I remember that rough boards, American boards were bought at \$10 or \$12, but they were not of the same quality as the boards that are now being sold.

Q. I have bought much better boards at \$12 than we are getting now at any price?

—A. You have bought better boards?

Q. Yes.

By Mr. Schaffner :

Q. I do not believe the quality of lumber has improved?—A. No, I do not recall that at all, but there was a time when that cheap American lumber was coming in, which was sold at \$12, and the quality of that lumber as I remember it was away down, fourth or fifth grade; I have bought it myself and know what it was.

By the Chairman :

Q. And I have bought lumber myself at \$12 which was better than I can get to-day.

By Mr. Schaffner :

Q. Do you do culling in your yards?—A. Yes, that is something very necessary at times.

Q. What do you mean by that?—A. I mean that a car comes along that is not up to grade and very often, in fact it is practically always the case, that it has to be culled; some of it has to be taken out and put into a lower grade.

Q. Why not put into a higher grade?—A. Well, now, a suggestion of that kind is absolutely ridiculous with the shipments as they are now. There was a time you could do it.

By the Chairman :

Q. Where is the culling done, at the mill?—A. Yes, that is what I mean, there was a time when it was different.

By Mr. Schaffner :

Q. Then the mills do not give you the lumber that they bill you with?—A. Oh, yes, I consider the mills are fair in that; but opinions differ you know and out of a car of lumber you will find something that must go to a lower grade, it is very seldom there is any exception to that. If a retail lumberman can sell his stuff at the grade as it comes into his yard he is doing very well.

Q. Your statement is that the retail lumberman makes no profit out of culling his lumber?—A. Oh, no, there was a time when shipments were different. There was a time when the mills did not cull it as they are doing now, they did not sort it as they are doing now, where it was possible to a limited extent. It is not possible now because the mills do all that sort of thing at their own end.

By the Chairman :

Q. You do not do anything with spruce lumber?—A. Yes, we do.

Q. From where?—A. From the Mountains, from Blairmore down near Fort Macleod.

Q. Yes, but I am speaking of our own spruce up north?—A. Yes, I have had some of it. I have handled spruce from Brandon and from the Red Deer Lumber Company.

By Mr. Lancaster :

Q. Here is a letter Mr. Herron has handed me, I should like to see what you have to say about it. It is a letter from Mr. Cockburn to Mr. J. Mergens, Weyburn, Sask., do you know him?—A. Yes.

Q. This letter is dated June 11, 1906, and Mr. Cockburn writes in this way (Exhibit No. 107):—

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'I wrote you on May 29 referring to a price list that you have made for the Soo line, and while it is not my purpose to offer any dictation as to prices which are made by the dealers, I at the same time feel that it is of special interest to the dealers generally that an impression does not go abroad that the effect of the association is to encourage the sale of lumber at extortionate prices. In the list you have prepared I find that on your 4 and 6-inch boards you put on about 45 per cent over the cost, and that you are exceedingly high in timber, shiplap and finishing and shingles. I may say in no case do you charge less than \$1 more than that of the Regina list, which is a good stiff one. Your lumber costing just the same as it does on the main line, at Regina and vicinity.

'My own opinion is that you would be doing the right thing in adopting the Regina price list, and not have it go forth that there is a good deal of the wolf on the Soo line. In fact, I know that at some points on the Soo line the price list that you have adopted will not be followed. I do hope you will give the matter your earnest consideration, and would be highly pleased to know that you are no worse than your fellow dealers in other localities.'

A. My own opinion is that if I were to give evidence all day you will get nothing that will set forth Mr. Cockburn's position as secretary of the association more clearly than the letter you have just read.

Q. That is that there should not be extortion?—A. Yes, the secretary, in that letter, suggests that the price is too high, you will notice that he does not say 'you must do so or the other,' but suggests that it is not the policy of the association to have high prices, and that the price he has set is too high, in his opinion.

By Mr. Herron:

Q. Here is a man that has been complained about for having interfered with another man's district, and the letter in reference to the matter winds up in this way: 'It is contrary to the rules of the association for any dealer to ship into any other town in order to store up there for sale.'—A. Who is that written by?

Q. That is signed by the secretary, and addressed to Hughes & Co., Brandon?—A. He is referring there to shipping in car lots, is he not?

Q. It says: 'It is contrary to the rules of the association for any dealer to ship lumber into any other town and store it for sale.'—A. That is quite true, he speaks about shipping to another town, not about the other man coming to his yard and buying, but about shipping to another town where he has not membership.

By the Chairman:

Q. The reason I asked about spruce was this, that in the leases which the government gives here for timber limits they have a clause which compels the holder to manufacture?—A. Yes.

Q. I do not think that is always done, I think it is sometimes held as a speculation; but, however, there (handing document to witness) is a letter I have received, and a very good one. I received it from a settler, and it illustrates the very great benefit that would accrue if that provision were enforced. We have had that matter discussed before the committee to some extent. A man can go into the spruce country with a little portable outfit that does not cost very much, and it will at least give the people of that district a very great benefit, according to that letter.—A. This is from Gilbert Plains.

Q. Yes, there are two of those little mills operating within ten miles of that place, and every board, as they manufacture it, is taken away at from \$10 to \$14 per thousand.—A. He refers to poplar boards.

Q. Yes, poplar boards.—A. They are not a very good board.

Q. Oh, they are a good board for rough lumber, that is in some localities; it is generally small, but I have seen very fair poplar. The writer of that letter is a settler there, and he strikes the point very well. Do you not think that if the rule I refer to

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were enforced at least a good many people in the northern part of the two provinces would get lumber?—A. Which rule?

Q. That rule in the lease compelling operation of those timber limits instead of holding them for speculation?—A. Yes, I fancy it would.

Q. At least the northern part of the two provinces would be very much benefited?—A. It would increase the production, would it not, at the present time.

Q. Yes, I have seen very often good spruce in the Riding mountain.—A. Very often, and as far as I am aware, the spruce I have seen from the north and northwest, for most purposes, was quite equal to anything you could get, that is for rough lumber.

Q. Well, for dimension?—A. For dimension and boards. The great difficulty that the retailer has to contend with at the present time is the matter of transportation.

Q. Is which?—A. The matter of the transportation of the lumber?

Q. Oh, yes?—A. We have at the present time lumber on order, I fancy for about six months, which we have not secured, and as a consequence of inadequate facilities for transportation it is necessary to carry about twice the stock that we should have to carry to accommodate our business, because you have got to anticipate the requirements so many months ahead. That means the tying up of a lot of money, a lot of insurance. The credit system is another thing which is very much against the retailer. I think it applies to a greater extent to the lumber business than possibly to any other line of merchandise. In our own business not more than twenty per cent of our sales are cash sales.

By Mr. Lancaster :

Q. But your customers are all good?—A. All good?

Q. Yes?—A. Oh, no.

By the Chairman :

Q. The percentage of loss would be small, would it not?—A. If you live long enough.

By Mr. Sloan :

Q. You charge interest on overdue accounts?—A. Well, even so. If you charge interest on accounts that you are not paid it does not do you much good.

By the Chairman :

It was said that five per cent would be about as much as a man would lose?—A. I should think so. I should think five per cent would cover it.

Q. Then generally speaking it is safe credit?—A. Well, if you take five per cent off you are slashing it very bad.

Q. It was not said that the loss was five per cent, but that it would not exceed that amount?—A. It is usually considered that it costs ten per cent to do business.

Q. This would include the loss?—A. Not including the loss. I am speaking now of the actual cost of operation; it costs ten per cent.

By Mr. Lancaster :

Q. While it is in your mind I want to ask you one more question about this letter to Mr. Mergens. It says the price is put at about 45 per cent over the cost?—A. Yes.

Q. And the writer advises Mr. Mergens to take off a dollar. No, he does not advise him to take it off, but he points out that he is charging a dollar more than the Regina list. Now, I want to see what the difference would be. That dollar off would be, five per cent, would it not?—A. I don't think so. What is the date of that letter?

Q. June 11, 1906. Supposing the lumber cost you \$45?—A. It did not at that time.

Q. Well, what did it cost?—A. You are speaking now of four and six-inch

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boards. Those are cheap boards, and the price at that time was a good deal less than to-day. That dollar off would be a good deal more than five per cent.

Q. What would he pay for those four and six-inch boards?—A. The list shows.

Q. You know there were four advances in the wholesale price, one in December and three others after that before June?—A. Well, I don't know, you can tell by referring to your list.

Q. One witness said there were five advances, but most of the witnesses said four advances before last June?—A. A good many people may have difficulty in fixing the date, I could not fix it very well.

Q. They had no difficulty. They told us there was one in December, one in February, one in March and another in May or June?—A. That could be shown by referring to the price list. I know we are paying \$6 and \$7 a thousand more for certain classes of stuff than we were paying for that same stuff, say twenty months ago.

Q. That would mean you are paying \$2 to \$3 more than you were paying in June last?—A. Yes, I think so.

Q. What do you pay now?—A. For that board?

Q. For four and six-inch boards at Regina?—A. \$24 is the present price.

Q. Then you would be paying \$21 or \$22?—A. Yes, possibly.

Q. Then I was not very much out? A dollar a thousand off would be about five per cent?—A. Yes, that would be about five per cent.

Q. This man gets forty-five per cent profit, that is five per cent more than if he was charging the Regina prices. If that were taken off he would still be selling at forty per cent profit?—A. I follow your argument. What you wish to show is—

Q. I don't want to show anything, but to get at the facts?—A. Your interpretation of that letter—

Q. He is getting forty per cent profit?—A. That is what you want to show. Well, I don't believe it.

Q. How would you work it out then?—A. I don't know how it works out. I don't know how it may work out there, but I have had an intimate knowledge, I think, of the feeling of the secretary in those matters, and he never intended to make the suggestion that Mergens could get 40 per cent for those boards. He never intended that.

Q. You talk about his intention. Here is the secretary's letter showing that he was getting 45 per cent over the cost and that he is exceedingly high in timber, shiplap and finishing and shingles. The letter also points out that he is not charging less than a dollar more over the Regina list, and he recommends him to adopt that list?—A. In preference to the list which he has.

Q. Very well, in preference to the list that he is writing about. Now, if he adopts the Regina list, which is a dollar a thousand less than what he is getting, and if he is getting 45 per cent profit, a dollar less would be 40 per cent profit, would it not?—A. You could, of course,—

Q. Is that not the natural inference?—A. No. You could interpret it in that way.

Q. What equally fair interpretation is there?—A. The circumstances may not have received the secretary's careful attention in that respect. He wrote and said, 'This price is high, you had better take the Regina list.'

Q. Pardon me, that is not what he said?—A. The inference is that it was not to exceed 20 per cent.

Q. Then he should have told him to take off \$5 instead of \$1?—A. People do not always write with the expectation that the letters written or their actions will be subject to criticism.

Q. If he had not mentioned figures I might agree with you, but he does mention figures, and says that Mergens price is 45 per cent over the cost, and recommends him to take off one dollar, and that dollar off would be 5 per cent?—A. I claim that his statement was in the right direction in asking for a reduction.

Q. I agree with you, but I do not see why he did not say, 'Keep down to 20 per

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cent profit, and take off \$5 a thousand'?—A. If he had stopped to consider and given careful consideration he would have done it, perhaps.

By the Chairman:

Q. That brings another suggestion to my mind. Do you not think that in a good many places the dealers controlling a district have adopted the practice of charging more than they ought, or do you know as a matter of fact whether they do?—A. I will give you an illustration of our prices. You have prices that are a lot higher than those; you have other prices in your mind's eye which are more.

Q. We have had cases where, for instance, a man bought common stuff at \$24 and sold it for \$32. We have had evidence of that fact?—A. I am of this opinion: no man can do it and continue to do it long.

Q. But if he has control of a district?—A. He cannot have control of a district. If I know you are doing it, or some person in your town is doing it, and there is good opportunity for a yard I am going to go in there.

Q. You may be able to now, but still the quantity may be——?—A. The quantity may be so very small that it would not pay to do it.

Q. If that man has got control of the supply under the arrangement which prevails there is no object in another man going in if there is not trade enough for two?—A. Well, it would be a matter of one killing off the other, I suppose.

The CHAIRMAN.—It would be a case of one man charging too much, that is all.

By Mr. Herron:

Q. I notice that in one place you are trying to deal with the manufacturer who has evidently been breaking prices. I have here a letter (Exhibit No. 108), dated Brandon, Manitoba, August 15, 1906, addressed to the secretary of the Retail Lumbermen's Association, Mr. Isaac Cockburn, with reference to the Rat Portage Lumber Company. The letter is rather long, and I will just read you the last part of it (Reads): 'I am very sorry to know that the Rat Portage Lumber Company have no regard for us. I think I wrote you a few days ago that they shipped three car loads of lumber to McDougal & Ireland. I do not know whether you have any heart to try and adjust this or not, but certainly it is probably giving Mr. Cameron a good deal of pleasure to harass us people here all he knows how. It is unfortunate that his company, being a very large company, and one that the association do not care to meddle with, that they should be permitted to give us the trouble that they are doing, but Mr. Cameron may live to see the time that he has made his mistake and may wish to remedy it when it is too late.' That is the windup of the letter?—A. I think the letter speaks for itself.

Q. That letter is dated August 15, 1906, and you see from it that evidently at least Mr. Cockburn was expected to discipline the manufacturer as well as the retailer, that is what I would judge from that?—A. What do you infer by the word discipline? If you will tell me that possibly I may tell you?

Q. I suppose that would mean that there would be some action taken by the association to prevent members of the association buying from them, that is what I would take from that?—A. That letter refers to the sale of three cars of lumber by the Rat Portage Lumber Co. to a firm of contractors in Brandon, who have since 'gone broke' and have not paid their liabilities nor anything nearly approaching it. It is the policy, I believe, of the members of the association, to do all that they can towards avoiding a situation of that kind. So far as I am concerned, personally, if I knew that a mill was selling to a contractor I would not feel disposed to buy from them.

Q. Well, it is evidently the policy of the Retail Dealers' Association to stand in with the manufacturers. You notify the manufacturer when the retailers are not in good standing, and you expect him to sell to men whom you recommend and to no other?—A. No, you are not right, you are entirely wrong. If you wish to make the suggestion that the retailers wish to stand in with the manufacturers in the same way as the retail grocer would with the wholesale grocer in asking him not to sell direct to his customers.

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By Mr. Lancaster :

Q. You mean to prevent him selling to a competitor?—A. No, to prevent him selling to his customer, we do not try to control, the Retail Association has nothing to do with controlling the people who go into the retail business, but we have the right, we think, to use our influence to prevent the manufacturer selling direct to our customers the same as a wholesale grocer might sell a barrel of sugar to a consumer.

By Mr. Sloan :

Q. As a matter of fact, you recognize and operate along these lines, do you?—A. We consider we are right in doing so, and so far as I am concerned, I think we have the right to stand on that. It is a recognized established precedent that the wholesale grocer will not sell to the consumer.

Q. I am talking about the wholesale lumber man now.—A. Yes, sir, we are following that.

Q. And as a member of the Retail Lumber Dealers' Association you would not buy from the manufacturer who sold direct to the consumer in your town?—A. As a retailer I would not do it.

Q. You would not buy from the manufacturer who did that?—A. No, not as a retailer, it is a matter of self-preservation.

By Mr. Herron :

You could not regulate that if you had not an association?—A. Most certainly we could.

Q. You could? Well, if a manufacturer could sell to another man a little cheaper, than he sold it to you he would be able to sell his lumber irrespective of you?—A. I am not referring at all to prices, I am referring to the manufacturer shipping to one of my customers direct.

By Mr. Lancaster :

Q. But Mr. Herron would be right, you needed the influence of the association in preventing that?—A. The association has a beneficial influence in that matter, but if it occurs in my territory I can take it up with my competitor.

By Mr. Herron :

Q. That would not have a great deal of effect if you had not the association behind you, you will acknowledge that, I suppose?—A. In making that statement I do not remember receiving any notification from the secretary for a long time of a case of that kind where he has taken action in the matter. I would quite think it came within his right to use his influence in that direction.

By Mr. Lancaster :

Q. Is there anything else you want to tell us?—A. I do not think of anything, if there is anything I have not made plain I will be very pleased to give any further information.

Q. I wanted to give you an opportunity of making anything clear?—A. With reference to the chairman's suggestion, I think if these small mills are allowed to cut up in the north there it will make lumber cheaper for the settler. So long as we have the extensive credit system that we have in the country and the poor railway facilities I do not think there is any possibility of reducing the retail price of lumber.

By Mr. Herron :

Q. Are any manufacturers of lumber members of your joint stock company? Yours is a joint stock company?—A. Yes.

Q. Are any manufacturers members of or shareholders of that company?—A. No, I have given you the names of the men supporting it.

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Q. Perhaps you have, I do not know if you have given them all?—A. I have given them all, all that I remember.

By the Chairman :

Q. The committee expects to make some recommendation with reference to this matter. What can be done, I think it has been made pretty clear to this committee that, in a great many cases, the retailer exceeds that basic principle you appear to have and sells at a higher price?—A. Yes.

Q. Can you suggest any plan, by which some public officer, for instance, could watch that sort of thing?—A. Well, I do not know what can be done.

Q. Some one suggested that a commissioner be appointed for the purpose?—A. I do not know that it would do any good or any harm. It would perhaps keep the government in touch with what is going on.

Q. Would you suggest it would not do any good?—A. If the supply of lumber has been short, as it has been recently, and there is a lack of transportation, the commissioner could not get the stuff on the ground ; I do not think he could. As I have stated we have an order for lumber—it was ordered six months ago, which we have not yet received, and the manufacturers tell us they have the stuff but cannot get the cars to ship it. The elevators are full of wheat still, and the farmers who bought their stuff last summer, and promised to pay for it last fall, have still their wheat and cannot make their payments. The result is the banks are short of money and the farmers cannot borrow money.

Q. The latest news is that the immigrants coming into the country cannot be moved?—A. They cannot be distributed?

Q. No.—A. I quite believe that.

Q. There are some 200 odd cars lying in the Winnipeg yards now?—A. If we had adequate transportation, and if the farmer could pay for his stuff, then the consumer would probably get his lumber cheaper.

By Mr. Sloan :

Q. What interest do you have to pay the bank if you want an overdraft?—A. That depends on circumstances.

Q. About what rate?—A. Well, the rate we pay is 6 per cent, some pay 8 per cent.

Q. What do you charge on overdue accounts?—A. Ten per cent.

Q. Now, in the case of a manufacturer selling to a consumer or to a contractor in your district would you expect to get a commission on that car as a member of the Retailers' Association?—A. No.

Q. Do you know of any case where it has been done?

By the Chairman :

Q. Has it ever been done?—A. Yes, possibly they have.

By Mr. Sloan :

Q. Have you any elevators in your district buying lumber?—A. Selling lumber?

Q. No, buying lumber as a consumer?—A. Yes.

Q. Do they buy direct from the retailer or from the manufacturer?—A. That depends entirely on the circumstances. We have sold lumber this year to elevators for the purpose of building additional storage.

Q. Do you sell to them at list price or do you make a special price to them?—A. I think it was practically the list price, practically that. If a man is building an elevator, the elevator company will get their stuff from the mill and buy it from the mill direct as we buy it.

Q. You get a discount or commission on that when they buy direct from the mill?—A. No.

Q. Did you make any request for a commission?—A. Oh, now. We don't consider that legitimate business for them to sell to those people who want to buy five or

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six cars of lumber although they may have the right to buy it in that way. If a farmer who has a little money and could send direct and get his lumber by the car load from the manufacturer sent all his business that way, it would mean we would not get a little bit of what we have now. We would get all the long time business, which, in my own experience, would run over four or five years at least, and that would make the situation a little worse than it is at the present time, both for the consumer and the retailer.

Q. Have you handled very much American lumber?—A. I handled some American lumber eight years ago, or about that time, when I was located on the Northern Pacific line of railway, in Manitoba. I have not handled it in recent years.

By the Chairman:

Q. There is practically none coming in now, I suppose?—A. But even when it was coming in I did not handle it in recent years. At the time I refer to, when I was handling it, I was located on the Northern Pacific.

By Mr. Sloan:

Q. Which is not a factor?—A. Which is not a factor in the lumber trade at the present time. Three years ago the Americans were dumping their cheap lumber, their surplus, over here.

Q. Did the consumer or the retailer get the benefit of it?—A. Both, I expect.

Mr. HERRON.—There seems to be a good deal of interest taken in the manufacturer. I notice a letter here from your association, presumably to Mr. Wells, secretary of the Mountain Mills Association. It reads (Exhibit No. 109): ‘On my return here to-day I find the following under cover: “Look out for Union Supply Company, Limited, Rosthern, Sask. They are becoming insolvent. Give a warning to the Mills.” This is unsigned, and I give it to you for what it is worth, and you will act, no doubt, accordingly.’ This letter is dated July 24, 1906.

By Mr. Lancaster:

Q. Your name, Mr. Thompson, was used by another witness, but I do not think you were here at the time, and I will read a few words of the evidence in question. At page 294 of the printed evidence, Mr. Wilkinson, of Regina, in speaking in answer to my question, and he says (Reads):

‘A. Yes, sir. In 1904, I was in Winnipeg and there was a complaint made about certain individuals selling lumber bought from an independent source.

‘Q. Did you make a complaint?—A. No, sir, the complaint was made, I think, by Mr. Marling.

‘Q. How were you concerned in it? Was it a complaint against you?—A. Not against me. The condition of affairs was this: Mr. Michaelis, of Victoria, was selling the cut of the Shanagan Lake and Ladysmith mills to farmers, or any one he could sell to in the district, and was affecting our trade. He was selling at a less price than we were able to sell at—below the association price—and therefore he was cutting into our trade. We asked the association for protection under the by-laws.

‘Q. Who do you mean by “We”?—A. Mr. Marling, the other dealer, and I.

‘Q. You had a joint complaint?—A. We had a joint complaint, yes.

‘Q. Were you both in the same town?—A. Yes, sir.

‘Q. And as dealers in that town, you made a complaint?—A. Yes, sir.

‘Q. Will you go on, please?—A. We met Mr. Cockburn, the secretary, and Mr. Thompson, who was a member of the executive in Winnipeg.’

Q. The Mr. Thompson referred to would be you, would it not?—A. I think he refers to me, but he is faulty in his information; it is not truthful.

Q. I will read a further extract from this gentleman’s testimony (reads):—

‘Q. Secretary of what?—A. Of the Western Retail Lumber Dealers’ Association.

‘Q. That was Mr. Cockburn. was it?—A. Yes, sir.

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'Q. All right, you met him and Mr. Thompson, you say?—A. Yes, sir.

'Q. What did you do?—A. We talked matters over and Mr. Cockburn decided that the proper thing for the association to do was to send a delegate to the Coast, to interview the mills that were supplying Mr. Michaels, and to try and come to some arrangement whereby the supply would be cut off, or to induce Mr. Michaels not to ship more lumber. The proposition was to either offer the mill a bonus to cancel the contract with Mr. Michaelis—

'Q. To break the contract?—A. Yes, to break the contract, or to pay Mr. Michaelis a certain sum of money to go out of the business.

'By Mr. Crocket:

'Q. Mr. Michaelis was not a member of the association?—A. No, sir.

'By Mr. Lancaster:

'Q. Do you mean to tell us that you were going to pay money either to break the contract or to pay money to Michaelis not to interfere—A. That was the understanding.

'Q. That is a fair way of putting it?—A. Yes, sir.

'By Mr. Herron:

'Q. Were you going to do it?—A. I refused to have anything to do with it.

'By Mr. Lancaster:

'Q. That is what Mr. Cockburn, secretary of the association, advised?—A. Yes. We went down to Mr. Sprague's office, and it was arranged that Mr. Marling should go. I refused to go myself.

'Q. You refused, and Mr. Marling went?—A. Mr. Marling did go.'

That witness stated you were a party to that arrangement. What do you say about that?—A. I had some connection with that transaction. In the evidence already given I have stated that in the early part of 1904—I believe it was in February—the manufacturers at the Coast and in other parts of British Columbia met in Winnipeg, for about that time a large amount of cheap American lumber was coming in to the different provinces. They formed an association for the purpose of protecting their interests in that matter as best they could, or their other interests as manufacturers. I was appointed secretary of that association. That association had no connection whatever with the Retail Lumbermen's Association. It might have been considered an association with interests diametrically opposed to the retailers in this particular instance, because the claim was that the retailers were buying cheap American lumber. The manufacturers wished to in some way protect their own interests as against that cheap American lumber that was coming in then.

By the Chairman :

Q. That is the Mountain manufacturers?—A. The Mountain and Coast manufacturers and the pine timber people were interested in it at that time; it was cutting into the pine trade as well. Mr. Marling and the gentleman who gave that evidence, Mr. Wilkinson, were in Winnipeg that winter or spring and they made a complaint about these manufacturers whose names he mentions there. There were two small manufacturers at that time who were selling their stuff through a commission or broker, or whatever he may be—this man Michaelis—to the farmers direct in car lots. The manufacturers discussed the matter and they decided to pay a portion of the expenses of Mr. Marling to go out to the Coast and inquire into the conditions as he could find them. That was done. Mr. Marling went out to the Coast. I have a recollection of our paying a portion of the expenses, possibly half—I am not prepared to say accurately.

By Mr. Lancaster :

Q. He says here that you were one of the directors or officers of the Western

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Retail Dealers' Association?—A. The gentleman did not know what he was talking about; I have no intention of making a stronger statement than that. In fact that evidence is not accurate.

By the Chairman :

Q. He may have mixed it with your being secretary?—A. He might have been honest.

By Mr. Lancaster :

Q. And why do you think you are brought into it instead of any one else?—A. My reason for thinking that would be because Mr. Cockburn was acting as secretary of the Retail Lumbermen's Association.

Q. Why did he pick on you?—A. His members were affected by this action, I was secretary of the manufacturers.

By the Chairman :

Q. You were appointed by the manufacturers?—A. Yes, it seems to me it would be a most reasonable thing that he would apply to me in the matter.

By Mr. McIntyre (Strathcona):

Q. Do you say that the manufacturers paid any part of the expenses of that visit?—A. Yes, they did.

Q. It is the manufacturers you are speaking for now?—A. Yes.

Q. Do you know that the Western Retail Lumber Dealers' Association did also?—A. I expect they did.

Q. Then, Mr. Marling constituted, so to speak, a representative from these two associations to the Coast?—A. He might be termed as such, he was sent out there to investigate the condition, to look into it and to see what was the cause, and what could be done.

By Mr. Lancaster :

Q. He says you wired him to know if Marling had gone, and that he had not preserved your wire but that he had a copy of his reply : 'September 24, J. A. Thompson, Winnipeg, Marling went through here last Sunday, twenty-first, for Coast. (Sgd.) T. Wilkinson.—A. I expect that is correct.

Q. You paid a part of the expenses, that is your association, and the retail dealers paid the other part?—A. Yes, I am speaking now for the manufacturers.

Q. Is his statement right as to the plan adopted that they were to induce this man to break the contract?—A. My recollection of the matter is that he was sent there to make an investigation and report.

By Mr. McIntyre (Strathcona):

Q. I suppose you know it was stated here that there was a certain offer made?—A. That Mr. Michaelis made an offer?

Q. No, That Mr. Marling made an offer to Michaelis to break this contract?

The CHAIRMAN.—He would not know that, he would get that from Marling.

By Mr. McIntyre (Strathcona):

Q. Would the nature of the instructions he received be such that these associations would be involved in any way?—A. I do not think so.

Q. Had he any authority to enter into communication with these people in order to change the conditions out there?—A. My recollection of the matter is that his only authority was to go there, make an investigation, and report.

Q. Report to whom?—A. To Mr. Cockburn, as secretary of the one association, and to myself as secretary of the other.

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By Mr. Lancaster:

Q. Did he report to you?—A. Yes.

Q. What did he report, and what was done?—A. I do not remember that anything was done, there was no result. I am satisfied there was no money passed.

Q. He says that he was unable to do anything with Michaelis, that he would not be bought off?—A. I do not know.

By Mr. McIntyre (Strathcona):

Q. He says that he made two alternative propositions, what authority had he to make such propositions? He had no authority to make any such proposition?—A. I do not think so, I have no recollection of it. My recollection is that he was sent there to investigate and report. For instance, he could not have been sent there for the purpose of buying this man off, the manufacturers had no funds for such purpose, so that it seems quite reasonable that all he could do would be to report to the manufacturers and they would consider it, which, apparently, they did, and if there was any such proposition they refused it.

Q. From what fund did you contribute your half of the expenses?—A. The manufacturers contributed towards my salary.

Q. But I am speaking of his expenses?—A. It came out of the same fund, just a nominal amount, which was expected to cover my salary and incidental expenses.

Q. What would constitute your incidental expenses?—A. Possibly office rent, postage, minor things of that kind, and travelling expenses.

Q. Would not certain considerations for the benefit of the trade come in that?—A. Not any such matter as you suggest, for buying a man off, that would not come under that heading at all.

By Mr. Lancaster:

Q. You say there was no discussion before he went about compensation being paid to the mill to break the contract with Michaelis, or of any sum being paid to Michaelis with respect to this matter?—A. I have no recollection of it.

Q. If it was so it would be a matter you would remember, would it not?—A. It might not; my recollection of the whole matter is that he was sent out there to investigate and report, and he made a report.

Q. If it was do you not think you would remember, it would be rather unusual?—A. I think I do remember it. It seems so ridiculous to say to a man, 'Go out there and settle with this man, pay him so many thousand dollars,' if you did not have the money to pay it with.

Q. That is not quite what I mean was done at all. You could tell him to go out there and offer him so much, and then come back and report?—A. I have not any recollection of his being authorized to make any offer.

Q. He was not authorized to make any offer at all?—A. No, not any definite offer. I think he was to investigate into all the circumstances.

Q. And to see whether the man would take money or not?—A. Possibly.

Q. That part of it might be right?—A. Yes, I think that part of it may be right, that would be on behalf of the manufacturers, that would not interest the retailers in any way.

Q. Except that you were included in that arrangement?—A. In what way?

Q. The secretary of the association sent this man to you, and you and he sit down together and arrange to send this man out to the Coast, he is your joint delegate, and you each pay part of the expenses?—A. We paid one-half.

Q. Then you are both his principals in fact?—A. I want to say what the facts are, it does not matter how it looks.

Q. Would it not be fair to say that you sent him out?—A. It was considered a manufacturers' question.

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By the Chairman:

Q. For the purposes of the expenses, as I understood you, the retailers did pay one-half?—A. I believe that is correct.

By Mr. Lancaster:

Q. Would they not have an interest in what he did?—A. My recollection of the matter is that this complaint was made by these two men as retailers, and they looked for a remedy to the secretary of their association, but the secretary of the Retailers' Association considered it a manufacturers' question, and referred them to me, so they came to me.

By Mr. Sloan:

Q. What manufacturers were you representing at that time?—A. The lumber manufacturers.

Q. Of the Mountain and Coast?—A. Yes, and the Pine people as well. They came to me and made a statement of what the facts were. I asked them what the facts were, but they knew nothing about it but rumour.

Q. Do you not think I am correct in saying that both associations were interested in that trip of Mr. Marlings?—A. Yes, both were interested in the outcome, but they might not contribute a dollar.

Q. But they were interested as a retail association?—A. As members of the retail association, yes.

By Mr. Herron:

Q. I think you stated here that any man can buy lumber from the manufacturer whether a member of the association or not?—A. If I did I want to qualify and make it clear, because it is my desire to make it very clear. If I stated it in the words you have put it in now I was in error. I wish to be clear, so that you will distinctly understand me. What I stated, or intended to state, was that if I wanted to start lumber yards you or I or any person else can buy a stock of lumber from any of the manufacturers. I am not referring to the consumer.

By Mr. Lancaster:

Q. Mr. Herron has asked me to read you here a letter from George P. Wells to Isaac Cockburn, Mr. Wells is apparently the secretary of the Mountain Lumber Manufacturer's Association, and Mr. Cockburn is secretary of the Retail Lumber Dealers' Association. The letter is dated June 18, 1906, at Nelson, B.C.:

(EXHIBIT No. 110.)

Re COMPLAINT No. 102.

DEAR SIR,—I have had a reply from Mr. R. H. Alexander, secretary of the Coast Association, to whom I wrote in connection with this matter, in which he states that their association does not regard the shipments made to Swift Current as per my letter to you of the 12th inst., as being transgressions of any rule whatever, and they further state that the consignees in question are all members of the Retail Association, and it is a matter entirely between them and the Western Retail Association.'

A. Very, well, what are the rules?

Q. That is what I am trying to find out?—A. I will give you my idea of that: if the shipment from the manufacturer was to some consumer it would be a transgression of the rules; if it was a shipment to some man who wished to establish a yard and go into the retail lumber business it is a different proposition.

MR. HERRON.—Well, then you have a connection, that is the point I am trying to make.

By Mr. Lancaster :

Q. There is an understanding between the two associations that they are not to transgress the rules such as you mention?—A. I don't know what that understanding amounts to, but I know as a retailer, as far as I am concerned, I would not care to give business to any manufacturer who would sell directly to the consumer.

Q. That is one thing, but what we are concerned about in this investigation is whether there is or is not an understanding between these two associations—one being a combination or association of wholesalers and another a combination or association of retailers—by which they undertake to see that these rules are enforced. This you see is not a letter from some one complaining as an individual, this is a letter from the secretary of the Lumber Manufacturers' Association to the secretary of the Retail Dealers' Association?—A. Yes.

Q. By which it would look as if he knew that he was obliged to answer for any infraction of these rules by either association. I will read to you again, 'he states that their association does not regard the shipments made to Swift Current as per my letter to you of the 12th instant as being transgressions of any rule whatever, and they further state that the consignees in question are all members of the Retail Association, and it is a matter entirely between them and the Western Retail Association.' The inference is that if the consignees were not members of the association he would be to blame and would have to account for it to the retailers?—A. We do not wish to disguise the fact—I do not as a retailer—that every manufacturer I have ever discussed the matter with says he has no desire to ship to the consumer. I, as a retailer, do not want it and every retailer does not want it.

Q. That is an individual manufacturer, but this is a little different. This letter is the letter of the secretary of the Manufacturers' Association, speaking for that association as to the rules that existed between the two associations?—A. Perhaps I can give you a little light on that; I may be in a fair position to do it. At the time I was acting as secretary of this association, three years ago, it was thoroughly understood that the manufacturers would sell lumber to any person who wished to establish a regularly constituted yard at any point in those three provinces.

By Mr. Herron :

Q. Whether he was a member of the association or not?—A. Certainly. It was not a matter of his being a member of the association, it was a matter of his going legitimately into the retail business.

By Mr. Knowles :

Q. Who would decide?—A. Who would decide? If he wanted to get a car of lumber, an assorted car, it would make us suspicious that it would be for his own use.

Q. Supposing he asked for one carload of the same class? You are speaking of an assorted car?—A. If he asked for a carload of one class of flooring, or some kind, it would go a long way towards establishing that it was for the purpose of retailing.

Q. Would it be the size of the order that would settle it in the man's mind?—A. It would, from the manufacturer's point of view. I should think, be a matter of being confident that the man was acting in good faith.

Q. But what would lead him to that evidence? Would it be the magnitude of the order?—A. He might employ what methods suited him.

Q. Do you know what method he would use in reaching that conclusion?—A. There is no set method. A man has got to use his own judgment.

Q. You started out by speaking about a car being divided into certain assortments. There is something in the order that guides you?—A. I think if I was a manufacturer and received an order for one car of lumber from a man who said he was going into the retail business, and that car of lumber would go very closely into materials for the construction of one house. I would be very suspicious and conclude it was not for the purpose stated, and would have to refuse it.

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Q. Therefore, you would be guided by the magnitude of the order?—A. I am speaking of the specifications, not of the magnitude of the order.

Q. You gave an illustration, but if that car was all of one kind of lumber—cut out the assortment part of it—would that change your opinion as to what the mill man would decide in that case?—A. You are perhaps asking me for more than I am competent to give you. If you will question me upon facts I will give it to you.

Q. You have volunteered information as to the position of a purchaser being determined by the assortment in a car of lumber?—A. What is the question again?

Q. My question was if you were to eliminate the assortment from a car of lumber would it cause you to change your opinion as to what the manufacturer would decide?—A. If it was all siding it would go a long way towards illustrating what I mean.

Q. Then the magnitude of the order would go a long way towards influencing a man's decision?—A. It might.

Q. In your opinion, would it not?—A. I have given you an illustration which is a fair one.

Q. In your opinion, would it?—A. The magnitude of the order, yes.

Q. Is it not true that contractors about a place like Regina, putting up public buildings and loan company buildings can order far more than many of these small yards could order?—A. No, I do not think this true.

By Mr. Lancaster:

Q. Let me read an answer made to Mr. Wells by the secretary of the Retailers' Association. He says (Exhibit No. 111): 'Your letter of the 18th inst. is received, and in reply Mr. Alexander's statement *re* the shipment made to Swift Current is correct so far as it applies to Messrs. Klassen & Son and Marks & Co., who are members of this association, but it in no sense holds good as to the shipment by Dyck, who is not a member of this association.

'The by-laws of this association provide that any dealer is permitted to ship lumber into a place where another dealer may have a yard, only that such shippers must adhere to the retail prices for that point. The intention is that while there may be competition in selling it is not permissible to cut prices.

'I have taken the matter up with Messrs. Klassen & Son and have received a letter from them in which they state they did not sell at cut prices, the only reduction being the cost of unloading lumber.

'Messrs. Marks & Co. have not as yet replied to my letter, but I am expecting to hear from them in a short time.

'Manufacturers, in receiving an order from an accredited member of the association, would be quite justified in shipping same as per order, as concerns the retail dealers alone.

'I have to thank you for the book of grading rules. This is something I have been frequently asked for.' Now, in view of the letters of the two different secretaries, do you say that there is no understanding between these associations to help each other out in that way?—A. Well, that is a letter written by Mr. Cockburn. I would very much prefer that Mr. Cockburn would give you such evidence as you would require on that point. I have given you the evidence that at the six points we were operating one-third of those, namely two points, are retail yards and not members of the association. These people got all the stuff they wanted, lots of it. That is so far as non-membership was concerned. There was no desire on our part at any time to stop these people from buying lumber after they had established a yard.

The committee adjourned.

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THURSDAY, April 11, 1907.

The committee met at 10.30 a.m., Mr. Greenway in the chair.

Mr. J. A. THOMPSON, recalled.

By Mr. McIntyre (Strathcona) :

Q. Have you any statement to make concerning a remedy for the condition of affairs in the lumber trade up there ?

The CHAIRMAN.—I asked him that yesterday.—A. Yes, that question was asked yesterday, I do not know of anything.

Witness discharged.

Mr. ISAAC COCKBURN, Ex-Secretary-Treasurer, Western Retail Lumbermen's Association, Winnipeg, sworn :

Mr. CHAIRMAN AND GENTLEMEN,—Before starting to give my evidence I would like to make a short statement. I find that there are no minutes of proceedings since the inception of the Retail Lumber Dealers' Association of which I was secretary for about eight years, they have gone astray. For about three years I was not secretary, and when I was called back to the secretaryship again I could not lay my hands on the minute book, that is eight years ago. I thought I would make a short statement, it will only take a few minutes, which will lead up to the present situation.

By Mr. Lancaster :

Q. What do you say is lost?—A. The minute book from the inception of the association for about eight years.

By Mr. Galliher :

Q. Can you account in any way how that was lost?—A. No.

Q. Who was supposed to have charge of it?—A. I had been secretary for four or five years and then I was succeeded by another secretary, and after a lapse of about three years more I was asked back. Since I came back I have never been able to put my hands on the minutes of proceedings, I could not find them, but I found that another book of minutes and proceedings was in use. It is simply a case of the book being mislaid.

By the Chairman :

Q. What period would the minute book cover that would be lost?—A. From the inception of the association for eight years.

Q. The first eight years that it existed?—A. Yes.

By Mr. McIntyre (Strathcona) :

Q. What are the dates for which the minute book is missing?—A. Commencing in 1891.

By Mr. Galliher :

Q. Would not the secretary who succeeded you and who you again succeeded have the custody of those minutes?—A. Yes, he had the custody of all the papers there.

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Q. What explanation did he give for their absence?—A. I never got an explanation from him, he went off to the Yukon and that is all I know about him. I did not seek any explanation, I saw he had been using a different minute book from the one I had, and I followed and continued to use the minute book he had been using.

Q. Will you tell me when the interval for which you were not secretary expired?—A. I have been secretary eight years since.

Q. Would that expire about eight years ago?—A. It would expire, yes—eleven years ago.

Q. It began eleven years ago and expired eight years ago, that is the interval that you were not secretary?—A. Yes.

Q. It was from eleven years ago to eight years ago, is that right?—A. The other secretary held office for three years.

Q. From eleven years ago to eight years ago, is that right?—A. He first started—

Q. You have been secretary eight years since that interval?—A. Yes.

Q. And he was secretary from eleven years ago until eight years ago?—A. I was secretary for eight years.

By the Chairman :

Q. You have been secretary up to two months ago?—A. Till about February 15.

By Mr. Lancaster :

Q. You wanted to make a statement, did you not?—A. Yes, it will not take more than two or three minutes. What I desired to state to the committee was this :

‘The lumber business in the Province of Manitoba in the year 1901, both wholesale and retail, was in a demoralized and unsatisfactory condition caused through overtrading and selling at unremunerative prices by retail dealers, and in consequence were unable to meet their due payments to the manufacturers, and were leaning upon their creditors to continue them in business, and to such an extent that many of the manufacturers were themselves becoming involved with the bankers.

In order to bring about an improved condition of the trade a meeting of the retail dealers was held, and formed the Western Retail Lumbermen’s Association with the approval and encouragement of the manufacturers. Following the organization of the association price lists were made by the members in accordance with the wholesale cost of lumber, notwithstanding this some members were still disposed to ignore the price lists in undue rivalry in their business and by underselling or some other expedient, and in order to discipline some members it became necessary to impose a penalty therefor.

It was not however long after the organization of the association that the advantage of it to the dealer was evident to its members, and as well the wholesale dealers, through the improved condition which materially benefitted them in the fact that the retail dealers became able to pay for their purchases.

‘As the trade became improved in its condition and the cause for disciplining became less, the directors and myself felt the onus of guarding the consumers from exorbitant prices, and the by-laws and the rules of the association were broadened in their purpose, and with the object of keeping the prices from being excessive to the consumer hence the introduction of the 20 per cent clause for regulating the price lists upon.

‘Later on we were confronted with the application of some firms for the establishment of line yards, and notwithstanding the directors did not look upon line yards with favor, feeling the possibility of the large corporations would be that eventually they would neutralize the control of the association with its members. And the fear then expressed has been the result in many instances.

‘We have had the experience of some of them opening yards at will and interfering with the established business of the member or members at some given point.

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'In some instances the established dealer feeling the competition would be too much for him soon sold out his business to the line yards, and in other instances where the line yard firm did not succeed in purchasing the business of the established dealer demands were made for a division of the trade to be given, and this was in many cases insisted upon, and failing in accomplishing the purchase the result was undue opposition to the resident dealer with the purpose of forcing an adjustment. The line yard firms were able to meet competition with some advantage for the reason that the quantity of lumber required to stock a number of yards meant a very tempting order to the manufacturer, and the line yard firms were not slow to point out the desirability of securing such order, and in the past they have been able to buy blocks of lumber at less than the list price, and less than the individual member without regard to any reciprocity of buying lumber only from the mills in harmony with the association members, when an advantage was to be gained in the purchase price. I have been told by many members that the association was of no direct advantage or protection to them in their business in consequence of the results which they are now experiencing, that its usefulness is a thing of the past.'

By the Chairman:

Q. You refer to that 20 per cent basic principle, when was that adopted in your by-laws?—A. Well, as it now stands, I would say about three or four years ago. There was a 20 per cent clause in the by-law, I think, about 1901, but it was not worded just in the same way. At the commencement of the association the competition between the dealers was so great that instead of getting large prices they were disposed to cut prices and sell at less than was profitable.

Q. Who is the secretary of the association now?—A. Allan M. Stewart.

Q. Who used to be at Morden?—A. Yes.

Q. There is a letter here which, in view of a question I asked Mr. Thompson yesterday, I would like to get into the evidence, and I will read it. The letter is dated March 8, 1907, and is addressed to J. C. Chamberlin, Esq., secretary-treasurer Lumbermen's Association, Enderlin, N.D. The letter is as follows:

EXHIBIT No. 112.

'DEAR SIR,—Your favour of the 5th to hand and noted. We enclose you a copy of our old by-laws, we are just having a revised set printed, but in the main they are the same, the alterations not affecting them in any way. Our association extends all through Manitoba and Assiniboia, and you will see from our by-laws the extent of protection that we give our members, although of course you can understand with the agitation there is at present before the public, our by-laws are worded so as not to be in any way a restriction to trade. Practically all the dealers in Manitoba and Assiniboia belong to the association, in fact I don't think that there are more than ten or fifteen out of six hundred and forty that do not, so you can see for yourself that the retail dealer considers that the association is a protection to him or else they would not join and pay their money for nothing.

'With regard to the localities that offer the best inducements for those wishing to start in the retail trade. At the present time the bulk of the immigration and opening up of new country is in Assiniboia, and consequently the lumber trade last year and part of the year before was a great deal larger than in Manitoba. For anybody wanting to buy out yards there are good points still in Manitoba, but for young men wishing for business opportunities I fancy that the west offers better facilities than the older settled districts.

'Any further information that I can give you on this subject I will be most happy to do so, and if any people who apply to you and make up their minds to come over to this country if you will tell them to call on me I shall be happy to do everything in my power to put them on the right path for doing the best business.'

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That letter brings out a point I endeavoured to get from Mr. Taylor yesterday with a view of showing, that so far as trade in Manitoba is concerned, it is established and established under the former existing state of things, no matter what subsequent changes there may have been.

The WITNESS.—I don't think I would write such a letter.

By the Chairman :

Q. You do not think you would ? Well, I think possibly from your point of view it would not be very judicious ?—A. I don't think I would word it quite that way.

Q. Of course the writer of the letter undertakes to say that if, because of this agitation, the by-laws have been changed—that has already been brought out—still they are practically the same as they were before except they are worded a little differently ?—A. That is quite true.

Q. That is quite true you think ?—A. As far as the 1906 by-laws, that is the by-laws that preceded those that were made in 1907, they are the same with some little change in the wording.

By Mr. Lancaster :

Q. You said, Mr. Cockburn, that you would not write such a letter. Now you agree with the statement that the by-laws are practically the same as before. Then what part of the letter caused you to say you would not write it ?—A. I don't think it is necessary to write a letter using the same language.

Q. You do not think it was necessary to write it ?—A. No.

Q. But there is nothing incorrect in the letter ?—A. Well, I would not say that either. I think he is giving some inferences there that are not quite correct.

Q. Which are they ?—A. Well, the avowed purpose and so on.

Q. The avowed purpose ?—A. Yes, that he speaks of there and not wanting to have much to do during this inquiry. I don't think that this association, the Retail Lumber Association, at least so far as I had anything to do with it, objected to any investigation.

Q. No, and the writer of the letter is not saying they object to it, but he is saying it would be well to be discreet and all that sort of thing. Is that the part of the letter you think should not have been written ?—A. I think that part was unnecessary.

Q. Well, are there any statements of fact untrue ? Are there any statements which he gives as facts in that letter which you say are untrue ? I want to be fair to you ?—A. Perhaps you had just better read the letter over again.

Q. (Reads letter once more). Now having heard the letter read over again what do you say ? Is there anything incorrect in it except what you have mentioned ?—A. Well, his statements of the by-laws do not accord with my opinion of them. The by-laws were framed for the purpose of keeping within the laws of the country.

By Mr. Herron :

Q. I would just like to add a little to that because I see a reference here to the same subject in another letter. This letter (Exhibit No. 113), is from the Export Lumber and Shingle Company, Limited, Vancouver, B.C., dated March 25, 1907, and addressed to the secretary of the Western Lumber Dealers' Association. It is a long letter and I will only draw your attention to the postscript which is signed by Mr. H. H. Spicer, manager of the company. In that postscript Mr. Spicer says, 'Do you think in view of investigation now going on at Ottawa into the Western lumber business that it is policy for members of your association to make a fuss about our doing business with this concern ?'

The CHAIRMAN.—That is a complaint.

Q. That is a complaint about a manufacturer selling lumber against the regulations of the association, and in the postscript of this letter the manager of the con-

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cern asks whether it would be wise at this period, while the investigation is going on at Ottawa, to expose the business of the association?—A. Well, of course that letter is of more recent date than I have had anything to do with the association.

By the Chairman :

Q. Mr. Lancaster asked you what was the part of the letter you objected to, and you replied that part which suggested that the investigation had influenced the association in any way. That is about all you objected to in the letter. Of course it would appear from the evidence that some men who know the association very well have the same view that Mr. Stewart had, that it was well not to raise much row, not to say much about what the by-laws were, while this investigation was pending. That is what is said in the postscript to that letter?—A. Yes.

By Mr. Lancaster :

Q. Now as a fact the object of the Retail Dealers' Association is to keep up prices is it not?—A. That is not altogether the object of the association.

Q. That is the object of the association, I do not mean entirely, but to keep prices up to a certain figure?—A. Not entirely.

Q. Not entirely, but still to maintain them?—A. With a degree of fairness to the consumer.

Q. Well, is there anything in the by-laws which says anything about fairness to the consumer?—A. Well, I should think the fact of not more than 20 per cent should be charged would be sufficient.

Q. What you have said about fairness to the consumer means what you had in your mind in fixing 20 per cent profit? I have not been able to find anything in the by-laws saying anything about fairness to the consumer?—A. Yes.

Q. But there is no declaration in the by-laws that you are all to fix a price in fairness to the consumer is there?—A. I had that in my mind always.

Q. That is not in the by-laws?—A. I have it in my mind in this way that the retail dealers are largely in the association, and the association, myself, as manager of that, has a duty to perform to the public, which is to see that there is no undue advantage taken. Under my management of the association I always kept that in view.

Q. That is all right, as a man you ought to do that?—A. Yes, sir.

Q. And as a citizen you ought to do that?—A. Yes.

Q. But you are the secretary of the association, and I ask you, because I have not been able to find out, is there anything in the by-laws requiring you to have in view the interest of the consumers?—A. I might say that although the word 'secretary' is used, my position amounts to a great deal more than that.

Q. You are practically the manager?—A. Yes.

Q. Keep your mind on this question now, please, is there anything in the by-laws requiring you to have in view the interests of the consumer?—A. No.

Q. Not in the by-laws?—A. No, not in the by-laws, but from my own sense of duty I would do so.

Q. What you might want to do you would not be permitted perhaps to do if the by-laws prevent you, that is the only difficulty. A man is tied up as a manager of an institution by the by-laws, he cannot go outside those by-laws without resigning, can he?—A. Well, I would resign, quick.

Q. Yes, but you never did resign, and there is nothing in the by-laws requiring you to have in view the interests of the consumer. I would not have asked you the question had it not been for the answer you gave, you say, you indicated, that the by-laws require you to have in view the interests of the consumers?—A. Yes, the 20 per cent clause is the governing power as to prices.

Q. You mean that 20 per cent has the effect of protecting the consumer?—A. It would.

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Q. Is there anything else than the 20 per cent clause in the by-laws requiring you to protect the consumer?—A. Only my sense of duty to observe conditions as they exist.

Q. And as a man and a citizen you tried to do this?—A. Yes.

By the Chairman :

Q. Do you have many complaints of the retailers charging more than that?—A. From the members themselves, do you mean?

Q. From anyone? Do you ever get any complaints about it?—A. No, I would be more likely to have complaints when there was a scrap on or something of that kind.

Q. Did you have complaints that they were selling at less than list price?—A. Oh yes, sometimes.

Q. What course did those complaints take?—A. Oh, well, I always give them what you might say is an advisory reply. I write to the party complained of informing him of the charges made against him and wishing him to do better.

Q. To do better and to maintain prices?—A. Yes, in some cases where the constitution and by-laws were not adhered to. Supposing a man is living in Southern Manitoba, in some case where a car of lumber had been sent to the point of another member without regard to the established price list and a complaint came to me, I have advised that man to allow the other man perhaps a commission of \$10 on the car, something of that kind, but it was in an advisory capacity.

Q. To satisfy him?—A. Yes, and in some instances they did that.

Q. If they did not want to be governed by your advice or decision, or whatever you call it, what could they do, could they take them to the director?—A. Oh, yes.

Q. Do you know of any fines being imposed at any time under this discipline clause of the by-law?—A. In the early days, oh, yes.

Q. Fines were imposed and collected?—A. I beg pardon.

Q. I say fines were imposed and they were collected?—A. Yes, they were paid, yes.

Q. How recent was that?—A. That was at the earlier stages of the association.

Q. What was the latest time at which a fine was imposed by the director. How recent?—A. Well, I do not think—I do not recollect any case in the last eight years, other than what I have just stated to you.

Q. You say there have been none in eight years?—A. Not that I recollect.

Q. All that has been necessary in that time is that you write and advise these men to settle it, some way, for instance by one man giving a commission on a car of lumber to satisfy the other man, or something of that kind?—A. Yes.

Q. How often do you fix your price lists?—A. Oh, well, when the price of lumber was normal, once a year.

Q. How often did you change the price lists last year?—A. Well, some of them were changed two or three times and perhaps some of them only once.

Q. How often last year did you change price lists?—A. I have known some of them to change three times, and some, I am not aware that they changed more than once. It would not follow that they did not adjust prices according to the ruling prices, I do not give personal attention to the price lists you know.

Q. You would know when the lists were changed?—A. Not in all cases, but very generally.

Q. Very generally. They would report to you when the price list was made; it was made locally by the local dealers,—was it not—in each district?—A. Yes, in their groups.

Q. By the members of the association in their own groups?—A. Yes.

By the Chairman :

Q. They were made something this way—here is a letter dated October 20 last, and addressed to W V Stenhenson Harding, Man.

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EXHIBIT No. 114.

DEAR SIR,—The expressed desire having been made to me by some of the dealers on the Miniota branch, to have the price list advanced, I have decided to go to Miniota on Wednesday the 24th by the train arriving there in the afternoon, and if it is convenient would like to meet, if not, I will forward to you a copy of the re-arranged price list.

‘Yours very truly,

‘ISAAC COCKBURN,

‘Sec.-Treas.

A. That is a carbon copy of the original letter.

By Mr. Lancaster :

Q. You would get these price lists or a copy rather, and keep them on file ?—A. That is so.

Q. Well, now, I would like to know from you, because I suppose you know perhaps better than any of them, what you would do if a complaint came in that a wholesale concern were selling to others than members of the Retail Association; what would you do ?—A. I would drop—you are speaking now of what would I do as to the manufacturer ?

Q. Yes, if a complaint was made in behalf of the retailer against them ?—A. I would drop the name of that manufacturer from the list that I issue of manufacturers who are in harmony with the association.

Q. Then you have a list which contains a record of manufacturers in harmony with your association and which is revised from time to time ?—A. Yes.

Q. Of the manufacturers who are in harmony, to use your own words, with the Retail Association ?—A. Yes.

By the Chairman :

Q. Have you that list ?—A. I think I have it here.

By Mr. Herron :

Q. I have the list here. I have counted the names, but I would not guarantee it to a name. I think the list contains about one hundred names ?—A. Perhaps about seventy. List put in and marked as Exhibit 115.

By the Chairman :

Q. It includes others besides lumbermen does it not ?—A. No, I don't think so.

MR. HERRON.—It says (Reads) : The following list of manufacturers and wholesale dealers are friendly with members of this association.'

MR. LANCASTER.—That is another word for harmony.

By Mr. Herron :

Q. Let me read a letter from the secretary treasurer of the Retail Dealers' Association, dated September 17, 1906, and addressed to Lee & Plister, Marshall, Sask. (Reads) :—

(Exhibit No. 116.)

‘GENTLEMEN.—Your letter of the 10th inst. is received, and I find that on July 13 I wrote to you at Didsbury sending you a blank formal application for you to sign, together with a membership list and a list of the manufacturers who are friendly to this association and from whom you are supposed to buy your lumber. I enclose you herewith duplicates as you ask for, and you would be good enough to sign formal application and return to me.

‘Yours truly.’

‘(Sgd.) ISAAC COCKBURN.’

Q. That would be your letter ?—A. Y

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By Mr. Lancaster :

Q. And that is the usual letter ?—A. I think that is about the style of it. This is a man who just applied for membership.

Q. That is what you would send to a man who became a member of the Retail Association ?—A. This man is just now making application.

Q. And when he would become a member of the Retailers' Association the membership list was for his guidance, to indicate whom he should buy lumber from ?—A. Yes, that is the inference.

Q. You said to me a few moments ago, when I asked to you what you would do if complaint was made by a member of the association, that lumber manufacturers were selling to other than members of the Retail Association, that you would strike the name of the offending lumber manufacturer off the list ?—A. But not until I would have correspondence with him.

Q. That is what I was going to ask you, because I think you did not do justice to yourself in your former answer. You would not do it on a one sided hearing ?—A. No.

Q. You would correspond ?—A. I would correspond.

Q. Before you struck him off you would correspond with him and hear his side of the story ?—A. Yes, I would not be in a hurry about it.

Q. You would see what reason he would give ?—A. Yes.

Q. And if the answer was not satisfactory you would strike him off the list ?—A. Well, if he wrote back in an independent way and gave me to understand that he was going to continue doing that sort of business it would result in that.

Q. In other words if he wrote and said he was not going to be limited by you to dealing only with members that you thought he ought to deal with, then you would not keep his name any longer on your list for the customers of the lumbermen ?—A. And I might say also that in writing to him if he was guilty of the charge I would suggest that he would allow the member who was affected by the selling, a reasonable commission on the sale.

By the Chairman :

Q. That is just what I was going to ask? It has been stated, and we have tried to get it out two or three times—I do not know whether we succeeded—that the manufacturer pays \$10 per car to the members of your association compensation because he had shipped to somebody else who was not in the association ?—A. Yes.

Q. Was that in practice ?—A. No, that was about what I suggested generally. I thought that if the member got \$10 a car on lumber—

By Mr. Lancaster :

Q. From the wholesaler ?—A. From the wholesaler.

Q. In other words you practically fine the wholesaler \$10 a car ?—A. Oh, no.

Q. That is what it would amount to ?—A. It was purely a suggestion.

Q. Well a suggestion that had enough of moral or immoral force behind it to make him comply ?—A. Well that is a matter for his consideration.

Q. Exactly, that is the way you put it. He would have to comply or he would be blacklisted by you ?—A. He would consider whether it was to his interest or not.

Q. And in order to keep himself on your list of people the members of your association are to buy from, he would pay that \$10 ?—A. He might or might not.

Q. If he did not what then ?—A. He would not be a friend of our Retail Dealers' Association.

Q. And he would no longer be on your list ?—A. No, I would not continue his name. I would not report him or anything else, I would just drop his name from that list.

Q. And therefore he would be very likely not to get orders from the Retail Dealers' Association ?—A. That is what the members of the Retail Dealers' Association are supposed to use their influence in.

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Q. Yes, you are the most candid witness we have had on that ? There is no doubt that is the object ?—A. I am going to tell you frankly.

Mr. HERRON.—Just to back up that statement. There is another letter here which will corroborate your statement. It is dated July 13, 1906, and is addressed to L. Plister, Esq., Didsbury, Sask. (Reads):—

EXHIBIT No. 117.

‘DEAR SIR,—In the absence of receiving any reply to a letter written to the dealer at Marshall, I herein send you a receipt for your membership fee at that point.

I enclose herewith a blank form of application which please be good enough to sign, together with a membership list of the manufacturers who are friendly to this association, and from whom you are expected to buy your lumber.’

That is merely corroboration. I think we have already had put in a letter of an almost similar character for some other point. The letters show you carried out pretty well what you have stated.

By Mr. Lancaster :

Q. Would there be correspondence between the secretary of the wholesalers and yourself ?—A. There was some, yes.

Q. In regard to mutual protection of the two associations ?—A. Well, in cases where some of their members were not showing themselves to be in harmony with the retail members, I drew his attention to it. Not that I had any special right to but I wanted him to understand, and if there was no further fixing of the matter up in that way, that particular firm’s name would disappear from the list.

Q. Would it be unfair to say that you did that with a view of getting the two associations to work together for their mutual benefit ?—A. Well, I think it would be at least a courtesy.

Q. You of course were actuated by the interest of the retailer ?—A. Yes, entirely.

Q. You would approach him, I suppose, with an argument that it was for the benefit of the wholesalers to keep in harmony with you as a whole ?—A. We had no desire to clash with the manufacturers, but on the contrary we would rather have as many on that list as possible.

Q. As many people as possible for your members to have a choice in purchasing from ?—A. Certainly.

Q. That would be right ? And your argument would be not only that you did not want to clash, but on the other hand you would want to be in harmony with the Wholesalers’ Association.—A. Well, we did not have much to say about the Wholesale Association.

Q. Of course writing to the secretary of the Wholesalers’ Association was a different thing to writing to the particular wholesaler who might be complained of and would be individually on your list ?—A. I made it a rule to write as well to the individual manufacturer who was complained of.

Q. You have told us about that, and I think we are satisfied about how that was. Then you would go a step further and write to the secretary of the Wholesalers’ Association ?—A. Yes.

Q. Trying, I suppose, to help you to get those fellows into line, so to speak ?—A. Well, I think it might be the means of him reprimanding them a little in that way.

Q. That would be your object to get him to use his influence with his own members to get them to work in harmony with you ?—A. Yes, exactly.

Q. Would he generally work with you in that way ?—A. Yes, he was very courteous.

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Q. Was there any agitation particularly in December, 1905, that is a year ago last December, a year and a quarter ago now, that you know of in the country, an agitation to the effect that prices were being combined against the consumer, or that there was any combine putting up the prices on the consumer?—A. No, I do not think there was.

Q. You think not as far back as December, 1905?—A. I do not recollect any agitation.

Q. Here is a letter that is humorous in one way, but at the same time it may be important, because it indicates that the writer thought himself there was, and I am going to read it to you, it is addressed to you, and I want to ask you to answer a question or two in connection with it?—A. Whose letter is it?

Q. It is from a man named A. W. Reimer, of Steinbach, Man., and is dated December 28, 1905.

EXHIBIT No. 118.

‘DEAR SIR,—Your letter from December 20, 1905, regarding annual dues to hand. In reply will say that I don’t know what to do, our religion is tight against all the combines, as they think it is nothing but for keeping down the poor; they are against me for that two years which makes me tired. Can you give me an advice to do this on direct as I am getting in trouble. If I settle this direct to you if so let me know I will stick to it somehow.

‘Yours truly,

‘(Signed) A. W. REIMER.’

Now, that letter, although laughable in some ways, has an element of fact running all the way through it, that this man feels he is doing something against his religion and that there is a combine at that time against the poor; that is the element of fact that runs through it.—A. That man had been a member of the association for many years, and that is the first time he writes that way.

Q. You tell me that his religion bothered him, his conscience woke up and he sent that letter?—A. Exactly.

Q. That is the element of fact I am pointing out about it.—A. At any rate his dues came in.

Q. The element of fact that I draw your attention to is that this man who, you say, had a conscience in this matter, and his conscience could not stand it any longer; the last straw seemed to have been laid on the back of his conscience in 1905, and he thought there was a combine there which his conscience could not stand for?—A. I have not any doubt I eased his conscience a little by showing him there was no combine.

Q. You think that is the way you did that. Is your answer to the letter here?—A. It will be in the letter book somewhere, I guess.

Q. As a fact had this man any ground for feeling that the combine existed to that extent that even though he was a beneficiary of the combine he had to kick?—A. I do not think he felt so, I think he was desirous of continuing his membership and of paying his dues, but I suppose his own association was the one that he had to respect.

Q. You mean his religious association?—A. Yes, his own community.

Q. Well, of course, I think a man might have a fear on the question of combines that would not have been aroused in his mind, as this appears to have been in 1905, unless he thought that the combine existed to such an extent as to encroach upon his religious scruples?—A. I think he was a very innocent man.

Q. He thought it was encroaching on his religious scruples because it was a combine?—A. No, I think it was a matter of fear whether it was going to affect his business in the community. I would judge he had that in his mind a good deal.

Q. You think his fears were groundless?—A. I think I very likely told him that

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what he was afraid of had no existence in fact. I know he is a very decent man anyway.

Q. Then, as a fact, you would say, would you, speaking for yourself alone, and as a citizen, that there was no particular agitation on that line in December, 1905?—A. I do not remember there was, I do not recollect anything of that kind.

Q. And this letter would not be because of any general complaint in the country?—A. No, I do not think so.

Q. It would be the man's own idea entirely?—A. Yes, I think so.

By the Chairman :

Q. It would be a local thing?—A. Yes, it would be a local thing entirely.

Q. We have had a great deal of talk at the committee, and it has been brought out by letters I think, some of them are before us, as to the way in which the business of the association was run in regard to the establishment of the yards?—A. Yes.

Q. You had a certain understood rule, apparently?—A. Yes, an unwritten rule.

Q. An unwritten law that, some witnesses say forty, some fifty, and some sixty cars of lumber, that unless there were that number of cars sold you did not grant another membership at any point?—A. Well, about the ordinary from fifty to sixty cars entitled a place to a second membership. We grounded that upon the fact that unless a dealer had a business of 25 cars he had not business enough to maintain him.

Q. Yes, well that is the point I want to make, or to confirm rather, because it has already been given in evidence, that if an application was made by a person wanting to go into the business at one of these points where a lumber yard already existed he would be refused unless that quantity of lumber was handled there?—A. Unless there was some other reason why there should be another member. The conditions had a good deal to do with it.

By Mr. Lancaster :

Q. What did you regulate it by, population?—A. No, no, by the number of cars of lumber sold.

By the Chairman :

Q. That is exactly what I am saying, that if it was not over that number of cars you would be inclined to refuse the application?—A. Ordinarily, but if the member who was there was not equal to the requirements of the country we would put in another member right alongside of him.

By Mr. Herron :

Q. I have a letter bearing on that subject before me. It is addressed to Lambert Earle, Elkhorn, Man., and is dated March 26, 1907, from the secretary-treasurer of the association:—

EXHIBIT No. 119.

'Dear Sirs,—We have to-day received an application for membership at your point from J. Vodden. Would you kindly inform us if there is enough business at your point for two yards, or anything you have to say either in granting or against granting the said application, so that I can give our directors all the necessary information when bringing the matter up before them.'

By the Chairman :

Q. That is since you have left the association, but that would be the practice?—A. That was my custom.

By Mr. Herron :

Q. Then, if out of 640 large yards there are only ten or fifteen outside of the association the association surely regulates almost the entire trade?—A. I don't think I said ten or fifteen outside of the association.

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Mr. HERRON.—It is in a letter.

The CHAIRMAN.—It is in the letter addressed to Mr. Chamberlain from Mr. Stewart. He states that there are only ten or fifteen out of 640 dealers; that would be in the two provinces of Manitoba and Saskatchewan?—A. I think he is on the small side. I think he is not considering the Independent Lumber Company which would perhaps have more than fifteen yards alone. Excluding those there would not be more than fifteen outside of the regular dealers.

Q. The Independent Company is one of those line companies?—A. Exactly.

The CHAIRMAN.—He probably means there are only ten or fifteen individual dealers.

By Mr. Lancaster :

Q. Do I understand you to say that prices were kept on a 20 per cent basis of profit all the time you were secretary?—A. I always strove to have it that way if I attended any meetings where prices were being fixed. While I did not dictate the price, I asked them to keep their prices down to that limit.

Q. Did you succeed?—A. I have succeeded pretty generally through the province of Manitoba. They made their prices on that basis for lumber. When we say 20 per cent, that applies only to lumber—the common stuff.

Q. What do you mean by common stuff?—A. I mean all kinds of lumber; I mean sawn lumber. For instance, there is shingles, sashes and doors.

By the Chairman :

Q. Mouldings?—A. Mouldings. Now, shingles and sashes and doors have been running pretty close from 33 to 50 per cent, and perhaps mouldings, which are very seldom sold and not of much value, might be 75 per cent.

By Mr. Lancaster :

Q. In a letter that was read yesterday (Exhibit No. 107) a man was complained about because he was getting 45 per cent profit, and he was advised to strike a dollar off his price, and the witness, Mr Thompson, after some fencing, admitted there would be a profit then of practically 40 per cent. What do you say about that?—A. Yes, that is my letter, I think. That 45 per cent would apply to shingles. They were selling shingles at \$4.

Q. It mentioned three or four kinds of lumber?—A. Not to which 45 per cent was applicable.

Q. I would like to see your explanation about it?—A. You have the letter here, have you not?

Q. It is on file and was put in as an exhibit?—A. It would be very hard to recall a letter of that kind and give you any explanation on it.

Q. You certainly should look at it?—A. I wish to give an explanation in fairness to the dealer.

Q. Exactly?—A. And in reply they did not take any exception to the statements I laid before them. I can explain it to you.

Mr. LANCASTER.—It would be fairer to you if you saw the letter. It is not fair to any witness to require him to explain a letter unless he sees every word of it.

By Mr. McIntyre (Strathcona) :

Q. While they are looking for that letter I would like to ask you two or three questions. In the fixing of the prices to be charged by the retailers, was that fixing done by the Western Retailers' Association?—A. Not by the officers of the association, but by the members.

Q. In what way, please?—A. They met in groups. They took the wholesale lists and they discussed them and made a price which was satisfactory to that group.

Q. Were you ever at any of these meetings?—A. Oh, yes, very often.

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Q. You were at the meetings in Winnipeg?—A. No, I am speaking of the country places.

Q. Was there ever a tendency at any of these meetings on the part of members to go beyond the 20 per cent basis?—A. Well, I think there was.

Q. Were they ever restrained in any particular?—A. Well, they were restrained by not drawing their attention to the fact that it was the intention of the association that they should only charge 20 per cent on their lumber.

Q. You tried to make them adhere exclusively to 20 per cent?—A. I did.

By the Chairman :

Q. But the 20 per cent clause of your by-laws, you told us this morning, was only adopted some three or four years ago. What basis did you have before that?—A. Well, I would not be sure whether it was 20 per cent. It is a good long time ago and it would very likely be a little more than that. Lumber was cheaper then, and I dare say they got 25 per cent.

Q. Have you any reason to believe that at certain of these points in the country these groups of retailers got together and exceeded the 20 per cent?—A. I think they took that pretty well as a basis.

Q. Might it not happen?—A. It could happen.

Q. Ten or twenty dealers could get together in a group and put the price up to a 50 per cent basis if they choose?—A. Yes, it is possible.

Q. But they would be violating the by-laws?—A. The by-laws of the association.

By Mr. Schaffner :

Q. What would the association do then?—A. Well, the association would not know anything at all about it. Unless it came around indirectly it would not come to my knowledge.

Q. According to the letters which have been produced nearly all the lists went in to you after the prices had been arranged?—A. Well, in the earlier stages but not for the last couple of years. I got some and some I did not get.

By the Chairman :

Q. They were supposed to send them to you?—A. I liked to have them as a record because they were sometimes inquired about and I was asked for a copy of the list.

By Mr. Lancaster :

Q. I have a copy of the letter we were speaking about a few moments ago. Mr. Mergens wrote to you from Weyburn, May 26, 1906 :

EXHIBIT No. 120.

‘DEAR SIR,—I beg to hand you herewith a copy of Soo line lumber price, which I am glad to hear, the Arcola line will also adopt.’

I suppose he means price list when he says lumber price?—A. Yes.

Q. You answered him on May 29, 1906, as follows :—

EXHIBIT No. 121.

‘DEAR SIR,—Your letter of the 26th inst. is received with copy of your price list for the Soo line, for which I am much obliged. The list was taken up by the Gibson Lumber Co., the Imperial Elevator Co. and the Moose Mountain Lumber and Hardware Co., and they decided that the price list is higher than the wholesale cost warrants, and are going to use the Main line list instead for the Arcola branch.

I regret that the dealers on the Soo line do not conform more closely to legitimate prices in accordance with the wholesale cost. On some of the lumber I notice

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you have added \$5 more than the price list for Regina and the Main line. While it might be quite true that very little of this lumber is sold, the high price which appears on your list will give the public a handle upon the exorbitant prices asked for, and the public press is always willing to make the most out of anything of that nature, which can be brought before the eyes of the public. I am convinced that the true way is to make a legitimate——' I suppose he means a legitimate profit, but the letter does not say so—'and that it is not so much inclined to react in the end.' You will notice that you tell him he has added \$5 more than the price list for Regina and the Main line?—A. That would not be general. That would be only on some kinds of lumber.

Q. Exactly. Then you wrote again—A. I don't think I got an answer.

Q. At any rate you wrote him again on June 11, 1906, as follows (Exhibit No. 107):—

'DEAR SIR,—I wrote you on May 29 referring to a price list that you have made for the Soo line, and while it is not my purpose to offer any dictation as to prices which are made by the dealers, I at the same time feel that it is of special interest to the dealers generally that an impression does not go abroad that the effect of the association is to encourage the sale of lumber at extortionate prices. In the list you have prepared I find that on your 4 and 6-inch boards you put on about 45 per cent over the cost, and that you are exceedingly high in timber, shiplap and finishing and shingles. I may say in no case do you charge less than one dollar more than the Regina list which is a good stiff one.'

In a former letter you say he charges \$5 advance on some lines over the Regina list, and in this letter you say that in no case do you charge less than \$1 more than the Regina list, which you admit is a stiff one.

'Your lumber costs you just the same as it does on the main line, at Regina and vicinity.

'My own opinion is that you would be doing the right thing in adopting the Regina price list, and not have it go forth that there is a good deal of the wolf on the Soo line. In fact, I know that at some points on the Soo line the price list that you have adopted will not be followed. I do hope you will give the matter your earnest consideration, and would be highly pleased to know that you are no worse than your fellow-dealers in other localities'?

A. Yes.

Q. I quite agree that the letter of yours is a right one, and I ask you now, as a fact, is it not the case you are suggesting there to him a 5 per cent reduction, about \$1 per thousand, which would be about 5 per cent reduction on the list?—A. Yes.

Q. So that he would be getting—you may have thought it was useless to try to get him to come down, in this you were doing the best you could—but if he adopted your suggestion he would have 40 per cent profit?—A. But that is on some special lines.

Q. That would be on 4-inch and 6-inch boards?—A. Yes, of course, in examining his price list I got the wholesalers' list and just followed it out.

Q. Just look at the letter (handing letter to witness)?—A. I do not require to look at the letter, I recollect.

Q. Even in recommending him to adopt the Regina list, you make the comment that it is a good stiff one.

Q. And the witness was doing a reasonable thing in urging him to adopt the Regina list?—A. I would not like to say that they were having 45 per cent profit; they might have it on some special line, and levelling it up on some other line, but in comparing the price lists, that is the Regina list and others, they were \$1 in excess on the same goods.

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Q. This much would be right in regard to the first of these letters you wrote, and which he did not answer; you point out that in some cases he is getting \$5 more than the Regina price?—A. Yes.

Q. That would be about 30 or 40 per cent profit?—A. I do not know what it would be.

Q. That would be about 25 per cent?—A. I did not take anything haphazard. I took the one list and compared it with the other.

Q. Exactly, and found that he was getting 25 per cent more than the Regina list, which is on the basis of 20 per cent. And that would make 45 per cent; that was the way, I think, you arrived at that 45 per cent, is not that right?—A. It might be. I recollect that I figured that out; I went to the vice-president of the association, who had yards at Arcola himself, and I drew his attention to it that the list was higher than the main line, when they were getting their lumber for just the same cost. He at once said, I will not adopt that price list, and he did not; all the dealers on the Arcola line did not, which is parallel to the Soo line nearly.

By the Chairman :

Q. I notice you have a sentence here in this letter which would look as if you had more than this gentleman to whom you are writing, in your mind: 'I regret that the dealers on the Soo line do not conform more closely to legitimate prices in accordance with the wholesale cost?—A. You will see from the letter I wrote to a dealer at Estevan that I drew his attention to the price list and asked him to reduce it.

Q. So there are a number of them on that line doing something which they should not?—A. Yes, the business there is largely in the hands of Americans, who are dealing with their own people there, and I think they are fleecing them a little.

By Mr. Schaffner :

Q. Is it the Americans mostly that are running the line yards?—A. Yes, and I think they are fleecing their people too much.

By Mr. Lancaster :

Q. I asked you about what you would do with the manufacturers in regard to a man that is selling to people other than members of your association; I asked you about that, if you remember?—A. Yes.

Q. I asked you in regard to some wholesalers whether you would not also complain to them if they sold at prices that were not suitable?—A. Wholesalers?

Q. Yes?—A. Oh, I never interfere with them.

Q. Here is a letter (Exhibit No. 122) of September 17, 1906, to John Wake, of Minnedosa. He is a wholesaler?—A. No, a retailer.

Q. The complaint says, 'You have shipped lumber to Rapid City to non-dealers at a price less than the established price list for that town. I shall be pleased to hear from you in relation to this matter?'

The CHAIRMAN.—That is a retailer?

By Mr. Lancaster :

Q. That is a retailer you are trying to discipline?—A. Exactly.

Q. Is it so, that you never had any communication with the secretary of the Wholesalers' Association as to prices they charged?—A. No.

Q. The price they charged was made without regard to you at all?—A. That was a matter between themselves and the members who were buying from them.

Q. You never argued to them, for instance, that at the price they were charging, when you added your own reasonable profit, and when I say you I mean the Retailers'

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Association whom you were representing, you never argued to them that their wholesale price was too high, that the consumer could not afford to pay that?—A. I did, at the time the American lumber was coming in I asked the manufacturers to try and reduce the price enough to enable us to compete with the Americans so that I could persuade our retail dealers to buy their lumber from them in preference to the Americans.

Q. In other words you were trying to help the Canadian industries?—A. Exactly, and I was rapped over the knuckles for interfering, that is by some of the manufacturers.

Q. We often get rapped over the knuckles for doing what we ought to do. Would it be right to say that except on that occasion, when the American lumber was being dumped into the Dominion that since then you have not, at any time, made a suggestion to them that the wholesale cost was being made too high for the consumer to pay when the retailers' profits were added?—A. No.

Q. You never suggested to them that the wholesale price was too high?—A. No.

Q. Do you think, as a practical man, knowing what you do about the trade, that the wholesalers are getting an undue profit?—A. I am not versed in the conditions which exist out there enough to give an opinion.

Q. You have not sufficient knowledge to give an opinion?—A. My practical knowledge would be of no value if I did not know the conditions.

Q. I thought probably you would know the conditions which prevail, do you say you do not know whether they are, since last June, getting an undue profit? They seem to have made three or four advances last year?—A. I would not offer any opinion.

Q. Can you suggest any way by which the consumer, the man who actually buys and uses the stuff can get his lumber cheaper?—A. There are a good many ways, perhaps the railway company might do a little towards it in reducing the transportation charges.

Q. You think the freights are too high?—A. Yes.

By Mr. Herron :

Q. Have the manufacturers generally stood by the Retailers' Association? What I mean is this : The Retailers' Association have done everything to protect or to assist the manufacturers who were friendly to your association. On the other hand have the manufacturers stood by the retailers, do you think?—A. In what way?

Q. In selling lumber to members only of your association?—A. I think a large number of them have great respect for the retail dealer. I think they had very good reason for doing that because they had a large community of customers.

Mr. HERRON.—In fact almost the whole trade you might say.

By the Chairman :

Q. And you think they have pretty well observed their obligations?—A. I think last year, pretty well.

By Mr. Herron :

Q. We see by the correspondence that occasionally one did break away. In such a case did the Retailers' Association advise them of the fact?—A. When lumber is in very good demand and wanted, there is not the same reason for them getting away because they have a market for the lumber and they can choose their customers.

By Mr. Schaffner :

Q. Where did the independent dealers get their lumber?—A. They got it from the manufacturers.

By Mr. Lancaster :

—rs?—A. Some of them I think.

By Mr. Herron :

Q. Or did they get it from the independent manufacturers ? There were always a few independent manufacturers who were not members of the association ?—A. Well, the Independent Lumber Company started having a mill at its back.

By the Chairman :

Q. That was in the Mountains was it?—A. Yes, and they got a big percentage, and some of those interested in that also had an interest in a mill at Vancouver. I think they had some influence in that way, so they were quite able to get all the lumber they required.

By Mr. Schaffner :

Q. You have been secretary of that association for eight years?—A. For eleven years.

Q. Eleven years ?—A. Yes.

Q. Now, I would like you to tell the committee what connection there was between the retail dealers and the manufacturers at the Coast?—A. I have been telling it.

Q. Tell us in a few words. There are some letters here that show there was some connection. Tell us what connection there was? Tell us what caused you to correspond with the Manufacturers' Association ?—A. Nothing, except it was some complaint that I had to make drawing the attention of the secretary.

Q. I beg your pardon?—A. Unless there was some complaint I might make on behalf of some of our members.

Q. What would be the nature of the complaint?—A. Perhaps they were selling to non-members and interfering with their legitimate business.

Q. Non-members of the Retail Association ?—A. Yes.

Q. Well, does that still exist?—A. Which?

Q. Do you still have complaints of that kind ?—A. If I was secretary and a member wrote to me and said that a certain manufacturer had been selling outside of the trade, I would correspond with that manufacturer and say that so-and-so was interfered with in his business by that.

Q. Well, the manufacturers say they can sell to anybody?—A. Yes, they can.

Q. But then they are disciplined if they do?—A. They are not disciplined.

By Mr. Lancaster :

Q. They are not complained of by your association if they do?—A. Well, there is not very much correspondence or complaint.

By the Chairman :

Q. I understood you to say a little while ago that if the manufacturers whom you have upon your list here——?—A. Yes.

Q. That were in harmony with your association violated the rules, or understandings, or whatever it was, you were liable to strike their names off the list ?—A. Yes,

By Mr. Lancaster :

Q. And to such an extent that the lumber dealers would ask you whether the intending purchasers were in good standing with you before they would sell to them?—A. I beg your pardon.

Q. For instance, here is a letter from the Rat Portage Lumber Co., of November 13, 1905, addressed to you, which says (reads):—

EXHIBIT No. 123.

'DEAR SIR,—Please advise us by return of mail if MacKey & Company of Strassburg are members of the association.'

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What would be the object of the Rat Portage Lumber Company writing such a letter? That they did not want to sell to MacKey & Company unless you people approved of it?—A. They simply wanted information as to whether they were members.

Q. Why would they do that unless they would be found fault with by you if they sold to men who were not members?—A. Well, there is a trade principle that exists.

Q. Then, again, there is another letter to you from the Rat Portage Lumber Company, dated Kenora, November 18, 1905:—

EXHIBIT No. 124.

‘DEAR SIR,—We have received inquiries for price lists from James Johnson, M.P.P., to be delivered at Wakopa, and from S. M. McKinley, who intends opening a yard at Ninga. Kindly advise us if either of these two gentlemen are members of the association or have made application to join and are likely to be admitted.’

Mr. Johnson is a member of the local legislature, but is not good enough to buy lumber apparently unless he belongs to your association. The Rat Portage Lumber Company are asking if he is a member of your association?—A. He had no cause to ask me that, although there was no harm in doing it, because he receives the membership lists.

Q. But they might mislead the list or it might not be an up-to-date list. You cannot be issuing new lists every day. The Rat Portage Lumber Company want to know, apparently, if, since the last list was issued, these applicants for lumber have made application to join the association of retailers and are likely to be admitted?—A. Those people have a warm side towards the association, that is all there is to it. They do not stick to the list.

Q. I cannot help you by reading the complaint referred to, because it is not here, but I see that the Rat Portage Lumber Company wrote you again from Kenora under date of November 6, 1905, as follows (reads):—

EXHIBIT No. 125.

‘DEAR SIR,—In reply to your favour of the 4th inst., would say that we have shipped two cars of lumber to William Martin, Wapella. The orders were taken by one of our travellers, but not one of our regular men, and were received here and accepted during the absence of the writer. We regret the occurrence, and will undertake not to ship any more to him until he becomes a member of the association.’ That is pretty strong?—A. Yes.

Q. That is not merely a warm feeling such as you spoke of, it is not merely a matter of sentiment or warm feeling, but they apologize for having shipped to this man and they undertake not to ship any more to him until he becomes a member of the association?—A. I think I can explain that to you pretty well. They have a customer there who is complaining, and they do not wish to lose a better customer than Martin.

By Mr. Herron :

Q. Here is a letter of more recent date, March 18, 1907, signed by the present secretary, I suppose it would be, of the Retailers’ Association, and addressed to W. M. Carment, Kamsack, Sask. (reads):—

EXHIBIT No. 126.

‘DEAR SIR,—Your favour of the 12th inst. to hand and noted. I am very sorry that you seem to think that I am blaming you and taking Mr. Burrows’ word for granted as being true. I merely quoted you what he said in his letter as an excuse, and I am perfectly aware the difficulty the dealers have experienced in getting in _____ year. However, Mr. Burrows has given me

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his assurance that he has no desire to ship tonon-members, and I think that you will find that you need have no fear of this occurring again.'

A. What date is that ?

Q. This is March 18 of the present year ?—A. I do not speak of him.

Q. This is with reference to Mr. Burrows, M.P. ?

By Mr. Schaffner :

Q. In a letter (Exhibit No. 127), of March 8, 1907, to Mr. Carment, of Kamsack, Sask., from the secretary, occurs this statement (reads): 'Mr. Burrows seems to think that your point is large enough to have two yards, however, as we have no application in for that point I suppose that need not worry you, and I think I can assure you that Mr. Burrows will not ship in any more to your point unless to a member of the association.' In that same letter Mr. Burrows takes a good deal of pains to say that he is trying to have everybody join the association. I see a reference made in a letter of February 4, 1907, from the secretary-treasurer to Mr. Kellet, of Carlyle. Do you know anything of Mr. Kellet, of Carlyle ? I do not think he is a dealer ?—A. He is not a member.

Q. Is he a dealer ?—A. The father was a dealer at Carlyle or was until very recently, but he is not a member of the association now.

Q. He was not a dealer then ? Is the father a dealer at Carlyle ?—A. Yes, and there is a son who is travelling round.

Q. This letter (Exhibit No. 128) of February 4, says (reads):—

'Had my attention been drawn to the fact that they were no longer doing a lumber business, and that they had been succeeded by Mr. Williamson, I would have drawn the attention of this fact to the manufacturers, and I have no doubt they would be particular about their shipments. Then again to Mr. Kellet, of Carlyle, I presume he has been obtaining lumber through the agency of his son, who is engaged in selling lumber at wholesale, and no doubt was willing to sell to his relative, and the only thing to do is to endeavour to circumvent his obtaining lumber under such circumstances.'

How could you circumvent him, by preventing him from getting lumber from the manufacturers ?—A. Yes, by drawing their attention to the fact that he is not on the printed list, I suppose. It would then become a matter for them to continue or discontinue.

By the Chairman :

Q. We were told over and over again that any one could buy lumber if they had the means to buy. Still I find it comes down to this after examining witness after witness, that the understanding is that no one shall buy from the manufacturers unless he is a member of this association, or that the manufacturer shall not sell to others ?—A. I do not think that is a fact.

Q. Well, you told us so a moment ago ?—A. You take, for instance, the Rat Portage Lumber Company, those people sell outside the association, we know it.

Q. You have told us a while ago, and I have before me this list here ?—A. Yes.

Q. You spoke of this list yourself as a list of people being in harmony with your association ?—A. Yes.

Q. In answer to Mr. Lancaster you explained what that meant. You have told us that if a complaint were made and if they violated the understanding that existed you would strike their names from that list, and that then the retail men would not have their names as those who were in harmony with your association, and that they would not have it, and it was because of dread of that that the wholesalers kept in harmony with your association, and they generally followed the understanding last year, you say ?—A. Yes, well I think you know that there are a number of manufacturers who sell to customers and are extending their business, and where it is of interest to them to make them their customers ~~I think there is a~~

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By Mr. Lancaster :

Q. Let me show you in your own language, the force of the language that is used in 1904 and the way in which it is carried out by the correspondence. You say they had a warm feeling for your association. I pointed out to you that when in 1905 one yard apologized and undertook not to ship any more until the man became a member of the association?—A. Yes.

Q. Then, in 1906 a man named Koch——?—A. Yes.

Q. At Nelson is answering a letter of yours; I cannot help you by reading your letter; it is not here, but he is answering a letter of yours *re* annual meeting of the Western Retail Lumbermen's Association, which he has received?—A. That is a circular.

Q. He says :—

EXHIBIT No. 129.

'Will say that I belong to the Mountain Lumber Manufacturers' Association, and as I understood at the annual meeting that they intended to arrange satisfactory arrangements if possible with the Retailers' Association by which both associations would be protected.'

There is certainly to some extent an understanding between them that it shall be a mutual protection to both of them. He says, 'I understood at the annual meeting that they intended to arrange satisfactory arrangements if possible with the Retail Association by which both associations would be protected?—A. Yes.

Q. In this letter he goes on to say:—

'I certainly have a very friendly feeling towards the Retail Association; while in the past year a complaint was filed with you about I having sold a car of lumber to a dealer that did not belong to the association, still this was an accident, as the lumber was sold through the drummer on commission, and my foreman receiving the order never gave it a thought, nor did I at the time that the drummer knew that I was on friendly terms with your association.

'I think you will find that the Mountain Lumber Manufacturers' Association will have some arrangements made with the Retail Lumbermen's Association in course of a very short time, if not already arranged.

'Yours respectfully,

'WILLIAM C. E. KOCH.'

Now, that is more than a mere friendly feeling?—A. I think that man was writing perhaps without authority from the association, and he was presuming more than I had any knowledge of.

The CHAIRMAN.—He gives his own experience; he was rapped over the knuckles because he sold a car of lumber.

By Mr. Lancaster :

Q. It is very funny that they all make this mistake that they are all going to arrange matters, rather than having a friendly feeling. I will give you another case. Here is a letter from the Chicago Lumber and Coal Company, dated at Wininpeg, March 9, 1906 :—

EXHIBIT No. 130.

'DEAR SIR,—We are desirous of having our name put on the friendly list in the Wholesale Lumbermen's Directory, of the Western Retail Lumbermen's Association, and it will be our aim to protect the members, through the territory in which this association operates.

'Kindly have our name printed under New Westminster, B.C., where our band saw-mill is located, and also at Winnipeg, if customary to be registered at more than

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I will draw your attention to this of March 15, 1904, which seems to have been the foundation of it, I would imagine.

EXHIBIT No. 131.

'Moved by Mr. G. Rogers, of Lethbridge, seconded by W. H. Clark, of Edmonton, that inasmuch as the Retail Association——'

This is written on the Alberta Hotel letter paper, Calgary, and it is a resolution passed at the annual meeting of the western members of Retail Lumbermen's Association, held in Calgary on March 15, 1904.

By Mr. Herron :

Q. Were you present at that meeting?—A. I do not know. I do not think so; they had an advisory board of their own. I could not recollect being at that meeting.

By Mr. Lancaster :

Q. The resolution passed at that meeting is as follows:—

'That inasmuch as the Retail Association and the Manufacturers' Association exist for material benefit and protection, we are strongly of opinion that no active membership other than that already provided for by the constitution should be granted to any mill, or any corporation, or any individual holding an interest in or employed by a mill, as we believe that the entering of manufacturers into the retail trade would be most detrimental. We therefore recommend the annual meeting in Winnipeg on March 23 to preclude the possibility of so dangerous a step.'

That is followed by a resolution on the same letter paper, I presume of the same date, although it is fair to tell you that it does not bear the same date, but they are together on the file, written on the same paper and in the same handwriting:—

EXHIBIT No. 132.

'Moved by W. H. Clark, seconded by T. S. G. Vanwait, that whereas this association is for the mutual protection of the manufacturers and retailers we would recommend to the directors to meet in Winnipeg on the 23rd inst., the advisability of granting honorary membership only to *bona fide* manufacturers for such articles as he manufactures.'

I point this out to you that there is evidently, as plainly as the language can express it in more ways than one, not only a harmonious friendly feeling but something amounting almost to a contract between the two associations that they exist for the benefit of both?—A. That was simply a suggestion made to the Western Retail Lumbermen's Association which was not adopted.

Q. Well, I point out to you, that at different days, and at different places, and by different people they all seem to have made the same mistake of supposing, as I am supposing, that the two associations existed for mutual protection?—A. Yes, some of these people get a little bit rattled sometimes, and we do not carry out their suggestions.

Q. It is a funny thing that they all get rattled on the same subject although they are at different places, in different parts of the country.

The CHAIRMAN.—Some in one place and some in another, but they all have the same idea.

By Mr. Lancaster :

Q. Then there is another resolution apparently passed by that meeting at Calgary on the same date (reads):—

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EXHIBIT No. 133.

'Moved by G. Rogers, of Lethbridge, seconded by W. H. Clark, of Edmonton, that in the opinion of this meeting the line yard system when going beyond six or seven yards is a menace to the retail trade and that the association at its annual meeting in Winnipeg on March 23 be asked to prohibit the extension of the system and to reduce if possible the membership of any one firm already in existence where they exceed that number.'—A. These resolutions were before the annual meeting following that but they were not adopted. These are just introduced by some members.

Q. Well, then, there are among these letters, some of which I have already referred to, which contain complaints of their selling in violation of just such an understanding as that, which were taken up by you, and Mr. Wells writes to you on April 10, 1906 :

EXHIBIT No. 134.

'I beg to acknowledge your letter of the 7th inst. with complaint against the Robinson-McKenzie Lumber Company, and I have forwarded same to this firm for an explanation which will be sent to you upon receipt.

'I am also awaiting a letter from the East Kootenay Lumber Company, *re* complaint, of which you will also be advised as soon as I receive it.' Here is a communication between the two associations, not the individual members, but the secretary of the wholesale association writing you acknowledging receipt of the complaint against the Robinson-McKenzie Lumber Company, which he has forwarded for explanations, and he is awaiting a reply from them and also from another firm against which there had been a complaint. I am not suggesting that this is illegal or wrong, but it is a question of fact as to whether the associations do not mutually work together ?—A. Well, the firm he refers to had not been a member in harmony for 15 or 18 months. They were not honorary members before they withdrew because they did not carry on their business in accordance with what we expected and I struck their names from the honorary membership.

Q. I am not prepared to find fault about it, but I want to know and I want to be clear upon the fact as to whether you people did, as two associations, help each other and stick together more than simply each protecting your own individual members. I point out to you that you did not write all these letters making complaints to the miller, as you said a while ago, but to the secretary of the Millers' Association asking him—if it is too strong a word I will use another—to discipline the members of his association in accordance with your plans ?—A. Yes.

Q. Now this is one association corresponding with the other, and I see you wrote this letter (reads): 'On my return here to-day I find the following under cover: "Look out for the Union Supply Company, Limited, Rosthern, Sask. They are becoming insolvent. Give a warning to the mills."' It is not unreasonable that one should inform a friend that he is likely to lose money if he supplies lumber to a certain party. In that way you are assisting the Manufacturers' Association ?—A. I would assist the manufacturers right from the word go.

Q. Certainly, I am not saying you should not do it ?—A. I give them information of this kind. Sometimes I am written to by manufacturers as to whether a person's standing is financially good and I give them the information such as I have.

Q. Well, this is the nature of the bargain, if there is one existing between the two associations, for mutual protection. They are getting the benefit of the mutuality by you protecting them against men who may be becoming insolvent and here we find you writing on that line to the secretary of the Manufacturers' Association ?—A. Yes, but the only object I would have in doing that is to show that I have a business interest in allowing these people to know that such might be the case.

Q. This is all so consistent one might think it follows as a matter of course that
—tion ?—A. That is not so.

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Q. There is a rule and here is the application of it ?—A. You are not willing to give me credit for my goodness.

Q. Yes, I am. I think you are trying to do all you can, but I am saying you did not do it to the miller but to the member of the Millers' Association in your official capacity as secretary of the association ?—A. I expected that was the source that would send out information to their members. Instead of my writing a hundred letters or so I wrote simply to the secretary and if he had any interest in his members he would let them know.

Q. I am not suggesting that you are not a charitably-minded man. You would have us believe this was done voluntarily on your part, purely as an individual and because you did not want to see a fellow Canadian lose his money ? As a matter of decency you wrote to the secretary of the association. Nevertheless I point out to you that wrote officially, as secretary of the Retailers' Association to the secretary of the Millers' Association ?—A. Purely in friendship.

Q. But following, whether true or not, the lines of the resolution stating that the thing exists for the mutual protection of both associations ?—A. No I don't think so. In a case of that kind it was purely friendship on my part.

By Mr. Herron :

Q. In regard to the \$10 fine, you may not call it a fine when the manufacturers violated the rules of your association by selling to non-members you have stated in your evidence, if I remember right, or some one has, that they have to pay \$10 a car to the local dealer affected ?—A. Yes.

Q. They have done that ?—A. Yes.

Q. Was that by mutual arrangement ? Was it in accordance with friendly feeling that they went that far ?—A. Perhaps at the time you speak of they were honorary members and as honorary members they were expected to have a reciprocal trade and in a case such as you refer to if they did not keep up to the by-laws to my knowledge I asked for, or assessed them, \$10 during the time they were honorary members.

Q. Did that go to the association or to the dealer ?—A. To the dealer.

Q. To the local dealer ?—A. Yes.

Q. To the dealer who was a member of the association ?—A. To the dealer who was affected by that transaction.

By Mr. Crocket :

Q. What was the object in admitting manufacturers as honorary members of your association ?—A. That was a part and parcel of the organization of the association in early years.

By the Chairman :

Q. It was understood that the dealers would only purchase from honorary members ?—A. Yes, quite so.

Q. The honorary members are no longer members of the association ?—A. You will see from the correspondence where the honorary members withdrew.

The CHAIRMAN.—Mr. Cockburn told us in the first part of his evidence that he sent out to the dealers a list of the manufacturers who were in harmony with the Retailers' Association.

By Mr. Crocket :

Q. Manufacturers who are friendly with the members of this association ? But these members withdrew from this association ?—A. Prior to that.

Q. When did they withdraw ?—A. I think it was in the autumn of 1904 or 1905, I am not sure which.

Q. Was that by operation of the by-laws ?—A. That was their privilege and they exercised it.

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Q. Were your by-laws relating particularly to honorary members repealed?—A. Yes and new by-laws prepared to meet the circumstances.

Q. Then there was just this understanding?—A. We no longer had honorary members.

Q. Then there was an understanding that the manufacturers who were friendly or in harmony with the association were to co-operate with them?—A. There was no special understanding.

By the Chairman :

Q. Well, you told us awhile ago that if the understanding was violated by any one of these gentlemen you struck his name off the list?—A. Yes.

Q. And his name would not appear on the membership list of the association?—A. If he would appear to be amenable and give us to understand that a mistake occurred and that he would not repeat it, then I would take no notice and would not take his name off the list.

Q. What are the circumstances that constitute membership for the manufacturers in your association?—A. In directing their sales to the members of the association.

Q. Only?—A. Well that was the intention, that was the object.

By Mr. Lancaster :

Q. They evidently thought they were also bound to maintain prices, and you seemed to think they should?—A. Which?

Q. This other association. I want you to keep your mind on the point as to whether the two associations?—A. I will keep my mind.

Q. Felt obliged to do so, and whether, as these resolutions and letters would indicate, the organization existed for the mutual benefit of the two associations? It may not have been wrong that they should do so but I want to get the facts. You dispute that and I want to show you what these letters point to. On June 21 you wrote to Mr. Wells, secretary of the Manufacturers' Association, as secretary of your own association?—A. Yes.

Q. Your letter is as follows (reads):—

EXHIBIT No. 135.

'Your letter of the 18th inst. is received and in reply Mr. Alexander's statement re the shipment made to Swift Current is correct so far as it applies to Messrs. Klassen & Son, and Marks & Co., who are members of this association, but it in no sense holds good as to the shipment by Dyck who is not a member of this association.

The by-laws of this association provide that any dealer is permitted to ship lumber into a place where another dealer may have a yard, only that such shippers must adhere to the retail prices at that point. The intention is that while there may be competition in selling it is not permissible to cut prices.'

Q. You write distinctly notifying the Mill Association?—A. Which?

Q. You write this letter, not to the man whom you are disciplining, a member of your association, that is the point I am making here, I could understand it being written to a man whom you might be disciplining, a member of your own association, but you write to the secretary of the Millers' Association that the intention of your association was, you called upon him to help you carry it out, that while there may be competition in selling it is not permissible to cut prices?—A. That is a letter in explanation of one received from him about some complaint that did not come to me, that went to him, it was the Revelstoke Lumber Company that I had in mind.

Q. But you had the complaint first?—A. No, I did not, you are wrong.

Q. Now here is a letter of June 18, 1906, I could have gone back but did not want to waste the time of the committee?—A. You go back and you will find my letter is simply a reply to his. I recall the circumstances.

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Q. I think you are away off?—A. I know you do but you are wrong.

Q. The letter will show you wrote him on June 15, 1906:

EXHIBIT No. 136.

'Your letter of the 2nd inst. is received reciting some shipments to Swift Current' ?—A. Exactly.

Q. There is no letter of June 2 here ?—A. It ought to be there.

Q. In that letter of June 15 you say :—

'I yesterday received a letter from the member of Swift Current, referred to by you, and I have taken the matter up with Messrs. Klassen & Sons, and Messrs. Marks & Co., and when I get their reply I will determine what can be done in the matter.

'I notice that the Revelstoke Lumber Company have a yard there in operation and for which they have never thought fit to obtain membership from this association. We in no case coax dealers to become members of this association, but at the same time we would be very glad to have them become members. In the meantime we are interested only in the interest of our member at that point.

Your truly,

ISAAC COCKBURN.

A. Yes.

Q. Then on June 18, 1906, Mr. Wells writes you (Exhibit No. 110):—

'DEAR SIR,—*Re* complaint No. 102.)

'I have had a reply from Mr. R. H. H. Alexander, secretary of the Coast Association, to whom I wrote in connection with this matter.'

Q. That is in connection with complaint No. 102. Whose complaint was that ?—A. That is a complaint that they wrote to Mr. Wells.

Q. What were they complaining about ?—A. That there had been a carload of lumber sent to some man at Swift Current.

Q. Then I am right that it was a retailer was complaining ?—A. No—yes, he was complaining but not to me, he was addressing his complaint to Mr. Wells.

Q. I see, you do not want me to say that you were complaining but that it was a retailer who was complaining to the secretary of the Wholesalers' Association ?—A. Yes, and Mr. Wells writes to me as a result of having received that letter.

Q. The retailer whom it was your duty to protect complains to the wholesaler ?—A. I think it was the manufacturer, the Revelstoke Lumber Company who was complaining to him.

Q. Mr. Wells says here : 'I have received a reply from Mr. Alexander, secretary of the Coast Association, to whom I wrote in connection with this matter, in which he states that their association does not regard the shipments made to Swift Current, as per my letter to you of the 12th inst. as being transgressions of any rules whatever, and they further state that the consignees in question are all members of the Retail Association, and it is a matter entirely between them and the Western Retail Association.'

So that the complaint must have come from a retailer to him ?—A. Oh, to Mr. Wells, I suppose, yes,

Q. So that it was a retailer's complaint ?—A. No, it was not in reality, because the Revelstoke Lumber Company had opened up a yard there and they were being interfered with and so they wrote to Mr. Wells, the secretary of the Mountain Lumber Manufacturers' Association asking him to take action.

Q. It is in answer to the letter I have just read to you ?—A. The letter I received from Mr. Wells drew my attention to the matter, and he referred the matter to Mr. Alexander, and I told him that Mr. Alexander's views were correct as far as the

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membership goes, that is, that a member could order lumber from any manufacturer at any point, and that there was no infraction of our rules or by-laws by that manufacturer doing so.

Q. It is in answer to his letter of the 18th you make this statement. (Exhibit No. 111.) 'The intention is that while there may be competition in selling, it is not permissible to cut prices.' That is in your letter to the secretary of the Mountain Lumber Manufacturers' Association?—A. That is in confirmation of Mr. Alexander's letter to him.

Q. On this same point here is a letter dated July 9, 1906, from Mr. Wells to you.

EXHIBIT No. 137.

'I beg to acknowledge yours of the 6th, and have noted carefully the correspondence between the Elk Lumber Company and yourself with reference to shipments to Smith Bros. and Wilson at Regina. As you are aware from previous correspondence, I have gone into the matter pretty thoroughly with the Elk Lumber Company regarding shipments to this firm, and they have taken a decided stand as to their right to do so. The matter is on file to be brought up at our next meeting, and in the meantime you may be sure that I will do everything in my power to prevent shipments to retail dealers.'

Now, there is the secretary of the Mountain Lumber Manufacturers' Association assuring you, as secretary of the Retail Lumber Dealers' Association, that they are going to take this matter up at their next meeting?—A. Yes.

Q. And in the meantime he wants to mollify you and keep you quiet by assuring you he will do everything in his power to prevent shipments to dealers?—A. Yes.

Q. Is not that carrying out the understanding for mutual protection?—A. No.

Q. You say no?—A. I think if I had been Mr. Wells I would not have written that letter.

Q. Not if he were going to swear to what you are swearing to, I quite agree that he would not write the letter, but he wrote it?—A. Yes.

Q. Is it not a statement clearly indicating to you that he thought there was an understanding existing for your mutual protection?—A. Yes.

By the Chairman :

Q. What is all this correspondence about, is it for fun?—A. At the same time I wrote to Mr. Wells in that case I wrote to the manufacturer himself. Mr. Wells was a very good man.

Q. I would like in this correspondence to get you to admit, I do not want you to admit anything that is not true, but I would like you to agree that there was an underlying understanding of that nature. All these letters from different people at different points and from your own secretary show that you were mutually protecting each other, that they had an understanding as to whom they would ship to, and everything else, and that complaints were laid before the association?—A. I would not make any statements that are not facts so far as the associations are concerned, it would not be fair to the association.

Q. Then they are all wrong in their supposition?—A. That particular letter, I think if I were secretary there I would not write that.

Q. The inference a man would draw from that letter is not that it is not right but that he should not have written that language?—A. I do not think so, that is my opinion.

By Mr. McIntyre (Strathcona) :

Q. What does he mean by the phrase that he will do all in his power to prevent the shipment to retail dealers? These particular dealers here are members of the

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association, they are his own people he is referring to?—A. In that case I think it is.

Q. What retail dealers have you reference to?—A. Which.

Q. In this letter where he says I will do everything in my power to prevent shipment to retail dealers?—A. I do not see any sense to it.

Q. Who are those dealers?—A. I do not know.

Q. Are they members of the Retail Dealers' Association?—A. He did not describe them in that letter, if he simply says, retail dealers—

Q. In one letter he refers to the Elk Lumber Company and to the Smith Brothers and Wilson?—A. Yes.

Q. Were the Smith Bros. and Wilson two different firms?—A. No, they are contractors.

Q. They are contractors?—A. Yes, in Regina.

Q. Then they were not retail dealers?—A. No, that is the exception, they are not retail dealers, they are contractors.

Q. He meant you to think he was preventing the shipments to contractors?—A. I suppose so.

Q. He has written it dealers?—A. You have the same chance to understand it that I have.

Q. Who else does he sell to besides the retail dealers?—A. I do not know.

Q. Does he not do all his selling to the retail dealers?—A. I hope so, he is only the secretary for the manufacturers, he is not in business at all.

Q. Do you think he intends to say he is going to attempt to suspend their business?—A. No, he is going to get some valuable customers by shipping to the retail dealers, men who are buying lumber all the time, whereas these fellows are only buying occasionally. He is looking after the interest of the manufacturers.

By Mr. Crocket:

Q. Do you say there was no understanding whatever between the Retailers' Association and the Wholesalers' Association that the millers should not sell to any other than the members of the Retail Association?—A. There is no written understanding at all.

Q. I am not asking you as to whether there was any written understanding. Was there an understanding at any time?

The CHAIRMAN.—He described it to me as an unwritten law.

Q. Would you say there was no understanding of any kind?—A. There are letters from them giving the assurance that they are going to make the retail dealers their customers only.

By Mr. Herron:

Q. That is members of the association?—A. Yes. But there is no contract or any reciprocity other than just what I have stated. We as an association are buyers all the time, as it is to their interest to have the members of the Retail Association as customers.

By Mr. Lancaster:

Q. When did you cease to be secretary?—A. About February 15.

Q. Last year?—A. This year.

Q. Do you object to telling us the cause of your quitting?—A. I became unpopular I should think with the members, I don't know. The board and I were not seeing things the same and I resigned; I did not wait to be dismissed.

Q. There was a want of harmony between you and the other members?—A. There was likely to be. I knew what their desires were, and their desires would not meet with my approval.

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By Mr. Schaffner:

Q. And they got another man?—A. They got another man. I don't want you gentlemen to understand I am hedging at all. I want to be fair.

Mr. LANCASTER.—I think you are trying to be fair, but personally if you want to know I think you are mistaken.

By Mr. Herron:

Q. Do you think, witness, the lumber business is gradually getting into the hands of the manufacturers or dealers?—A. Yes I do. I think so seriously. In relation to that I have a statement here showing the condition. Now the retail lumber business of this association is as follows: In Manitoba we have 228 yards, in Saskatchewan we have 242 yards, making 470 yards for those two provinces and a portion of Alberta.

Q. Are those manufacturers now?—A. Those are retail dealers.

Q. Yes, but are they retail line yards of manufacturers? Am I right in saying that?—A. Not to any great extent in that district I do not think.

By the Chairman:

Q. There are not so many of them there?—A. No, but in Alberta I think they are pretty general.

Mr. HERRON.—I think they have 200 of those line yards in Alberta. I forget the exact number.

By the Chairman:

Q. He has not got the number of line yards separate?—A. The line yards, yes. Now of the 470 yards there is one firm having 54 yards, there is another firm having 34 yards, one firm having 25 yards, one firm having 11 yards. That makes four firms with 124 yards.

By Mr. Herron:

Q. Four firms, having 124 yards?—A. Yes, and I think that would be a little over one-fourth of the entire retail lumber yards in connection with this association. Further there are two firms having 8 yards each, one firm having five yards, seven firms having 3 yards, two firms having 4 yards each, twenty-three firms with 2 yards and two hundred and forty-eight with 1 yard, and one firm with 6, making 288 firms, I think.

By Mr. McIntyre (Strathcona):

Q. Do you think those are detrimental to the best interests of the lumber trade?—A. I think so.

Q. Do you think they intend to increase the price or will in the future?—A. Well, for instance, three firms within the last three months have joined forces under one manager. Now, these four firms that I have first given, three of them at least are members of the Grain Exchange and they do their lumber business in connection with their grain business.

Q. Might not one of these firms have sufficient line yards within one of these districts to absolutely control the fixing of prices in that district?—A. It might be.

Q. Might it not lead to this, that one man would have the dictation of the prices for the whole district?—A. Yes, if he controlled yards enough he might.

Q. Even supposing your association goes on as now, and even supposing, as we were led to believe by you, that you used some restraining influence in keeping down the price of lumber, have you any power whereby if locally one firm controlled all the yards, have you any power, by penalty or otherwise, by which you could prevent them from putting up their rate of profit to 50 per cent?—A. I think it has the effect of taking power from us all the time, from the association.

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By Mr. Herron :

Q. Taking the power into their own hands?—A. Yes, we anticipated that when we were first asked to grant membership to these large line yards.

By Mr. McIntyre (Strathcona) :

Q. But, Mr. Cockburn, does your association not aid in this particular, that if some independent person wanted to go into a district these line yards, being members of your association, represent to you how many carloads are shipped there?—A. Yes.

Q. And they can represent any number they choose so that you would be compelled by your regulations to still keep out competition?—A. No, that would not be quite right.

Q. Would it not have that tendency?—A. No, the tendency is this: that the line yards would take the bit in their own mouth and carry out their wishes.

Q. Yes, but the influence of your association is exerted to prevent people who are not friendly to you—I do not say you would try to do it—from securing lumber from other mills?—A. From securing which?

Q. From securing supplies, so to speak, as an independent man. The influence, not the object of your association is in that direction. Am I wrong there?—A. The influence is to direct all advantages that it properly can give towards its members.

Q. Do you not facilitate matters for your members?—A. We do.

Q. As much as you can?—A. Yes.

Q. I am not questioning that, but the point I have in mind is this: The independent man is not facilitated to the same extent. That is the way it works whether you wish it or not?—A. What do you mean by the independent man?

Q. The man that is not in your association?—A. The individual man?

Q. The dealer who is not in your association?—A. We don't consider that man, of course.

Q. You quite understand me, the retail dealer who was not in your association?—A. Yes.

Q. You are facilitating advantages to the other man?—A. Yes, certainly.

Q. Well, do you not see that you are aiding, to a certain extent, these line yards in their attempt to put their price up, and to keep out competition more particularly—

Mr. HERRON.—Because they are members of your association.

By Mr. McIntyre (Strathcona) :

Q. Is not that a fact?—A. The conditions that arise in particular instances have to do a good deal with the action of the board of directors in their decision.

Q. I take your statement as being absolutely true, that it is not your intention to protect in any way these line people in their attempt to keep up the combination, but I am asking you if it is not the case that your association, working as it is to-day, and with the line men with every possibility in their hands, will not the outcome be as I have described it, that you are indirectly aiding these people to prevent competition?

By Mr. Lancaster :

Q. Is not that the result?—A. I think that—

Q. Is not that the result that the independent man is prevented from going into competition with the line yards as members of your association?—A. No, it is not. No man who makes application to become a member of this association but is dealt with.

Q. There, using the word 'independent' as being a man who is not a member of your association, as long as he does not join your association, surely, from all that we have heard here, even from yourself, you will admit that the independent man is hampered from coming into competition with line yards.

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By the Chairman:

Q. And he is hampered as much as he can be by the association.

By Mr. Herron:

Q. If any man makes application your association undertakes to investigate the conditions whether there is necessity for it, and before he can get membership, and if he cannot get membership he cannot get lumber?—A. Oh, yes he can.

By Mr. Lancaster:

Q. If he does the Millers' Association are complained to with regard to the matter?—A. He does get lumber.

By Mr. McIntyre (Strathcona):

Q. What is your source of information as to the number of cars of lumber that are sold at any place?—A. We sometimes get it from the railway companies.

Q. Do you take the dealer's word for it?—A. No, if a man comes to me and asks for membership, I say to him, 'About how much business do you think there is there? And do you think another yard would be warranted there,' And I ask him how many cars of lumber are sold there, or what the volume of business is at that point, if I have not the information myself I ask him to get it. I do not take the members' word in anything, because they are interested.

Q. That was my point, that you would not be justified in taking the information from the dealer who was interested?—A. I give every man fair play, as a rule I have the number of cars sold at any given point.

Q. But where do you get that from?—A. Well, I get it from the railway companies, there are no very recent ones, but I have had them.

Q. And that is your source of information, the railway company?—A. Yes, I could lay before the directors about how many cars are sold at a certain place.

By Mr. Herron:

Q. Do you ever hear at all about profits being pooled?—A. Yes, I do.

Q. In a certain locality?—A. Yes, I do.

Q. You have heard about the pooling of profits in the lumber business in a certain locality?—A. At this very point where I was complaining of their over-charging they pooled the profits, and not only that, but the Independent Lumber Company went in with them, what is called the Independent Lumber Company, was the biggest toad in the puddle at fixing the prices and everything else.

By the Chairman:

Q. Of course, 'Independent' in that case was only a name, they were not independent?—A. Yes, I found that the gentleman who called the meetings that I went to in the west was the independent man.

By Mr. Herron:

Q. Of recent years, or in recent months, has the tendency been for the business to get into the hands of the larger corporations or individuals?—A. Oh, very much so.

Q. It is growing that way?—A. For many years, I do not recollect of any one member having more than one yard, possibly two, but I do not recollect it.

Q. That is what I see as the danger of this in the near future?—A. Well, that is the point that I have given you there, where three or four of the largest firms have amalgamated into one firm, three of them.

Committee adjourned.

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FRIDAY, April 12, 1907.

The committee met at 3.30, Mr. Greenway in the chair.

Examination of Mr. ISAAC COCKBURN resumed.

By Mr. Sloan :

Q. At page 250 of the minute book of the directors, under the date of June 6, 1904, I find the following resolution:—

‘Moved by Duncan, seconded by Robson, that the action of the secretary in assessing the East Kootenay Lumber Company \$10 per car on each car of lumber shipped by them to non-members at Swift Current to be paid to the active members at Swift Current, be sustained, and that the secretary be instructed to notify the above manufacturers that they have violated the by-laws of the association, and that any further violations will be dealt with in accordance with the by-laws of this association.—Carried.’

I would like to ask you something about that?—A. Yes.

Q. Is that one of the principles of the organization, that for any lumber sold by manufacturers to non-dealers they are liable to a penalty of \$10 a car?—A. No, there is no written law to that effect, but I suggest to them in such case, where they have been selling to a non-member, that that is a reasonable amount which they should pay to the member at that special point.

Q. Then, as a matter of fact, you do assess the manufacturers \$10 per car?—A. No, not necessarily \$10 per car, it may be more; that is something I suggested at the time you were speaking of, and that was at a time when they were honorary members of the association.

Q. Did those manufacturers pay this assessment?—A. Who were they?

Q. I am asking you did these manufacturers pay that assessment?—A. No, no, give me the name.

Q. I will read it again. (Resolution again read.)—A. Yes, they did not pay.

Q. You made an effort to have them pay?—A. Yes, I suggested they should do that.

Q. It says here in the resolution ‘assessing’?—A. Yes, I reported what I did to the directors, and upon my making a report they all approved of my action.

Q. You had written to the East Kootenay Lumber Company asking them to pay that \$10?—A. Yes, and at the next meeting of the board of directors I reported the fact of my having done so.

Q. It was a recognized principle that manufacturers selling outside the Retail Association were subject to a \$10 fine; that was a recognized principle, was it not?—A. That was a suggestion of what I thought might be a reasonable amount they should pay.

Q. You recognized the principle of assessment?—A. I thought it was a proper amount that they might very well pay to this man.

Q. You recognized this principle of assessment?—A. Yes, I did.

Q. That is all I want. Here is another resolution on the same page:—

‘Moved by W. H. Duncan, seconded by J. K. Robson, that the E. H. Heaps & Company be assessed \$10 for car lumber shipped to a non-member of this association to Swift Current, this sum to be paid to the regular dealer at that point, and that the secretary be instructed to notify the above manufacturers they have violated the

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by-laws of this association and that any further violation of the by-laws will be dealt with according to the by-laws of this association.—Carried.’

Can you tell me if that \$10 that you were instructed to assess on Heaps & Co. was ever paid?—A. I think he gave the party credit on his account. I understood from Mr. Heaps that this was done, I think if you follow the correspondence there ?—A. Yes.

By Mr. Lancaster :

Q. What is the date of that ?—A. It would be in 1904, would it not ?

By Mr. Sloan :

Q. Yes, it will be June 6, 1904 ?—A. Yes, 1904.

By Mr. Lancaster :

Q. I see here Mr. Cockburn, a bundle of letters from a large number of different mill owners ?—A. Yes.

Q. They are all dated between December 15 and December 30, 1904?—A. Yes, That would be 1904.

Q. Two years ago last December ?—A. Yes.

Q. Although they are written by different firms located all over the country, they are all addressed to you, and they are all worded in exactly the same language ?—A. Yes.

Q. Every word in them is exactly the same, one letter is practically a copy or a duplicate of the other and there are a great many of them ; how do you account for a great many of them using exactly the same language in retiring from your association ?—A. I do not know, they must have been assembled at some meeting and have arrived at that conclusion and took that way of giving me notice.

Q. And they must have agreed on a draft letter so that they all wrote exactly the same ?—A. Well, I would think so. It appeared to me at the time that it was just as you say.

Q. There were somewhere between twelve and twenty of them used the same language exactly ?—A. I think they are from British Columbia, are they not?

Q. Victoria, Vancouver, New Westminster, Hastings and other places, and they all write this way exactly.

‘DEAR SIR,—Owing to the fact that our position as honorary members of your association continues to be misunderstood and mis-represented by the public, and more particularly by the railway authorities and members of the Dominion House of Parliament, we have been forced to the conclusion that it is advisable, in both your interests and ours, that we should withdraw ; you will, therefore, please not renew our membership for 1905.

‘Our relationship in the past has been of such a pleasant nature that we take this step reluctantly, and would have preferred not withdrawing until after consulting with you at your next annual meeting, but circumstances are such that we cannot wait until then. In severing our connection we wish to convey the information to your association that our intention is to confine our dealings to those who are regular and legitimate retail dealers.

‘With kindest wishes and expressing the hope that your association may prosper.’ I am not worrying about misrepresentation by members of the Dominion House of Parliament, but I would like to know what misrepresentation the railway authorities have made in regard to this ?—A. I do not know.

Q. These men are giving us a reason that their position continues to be misunderstood and misrepresented by the public and more particularly by the railway authorities ?—A. I suppose that would be in consequence of that announcement by William Whyte of the Canadian Pacific Railway.

Q. They are all in the month of December, in the same handwriting and within a week or ten days of each other?—A. Yes.

Q. 'Our relationship in the past has been of such a pleasant nature that we take this step reluctantly, and would have preferred not withdrawing until after consulting with you at your next annual meeting, but circumstances are such that we cannot wait until then.' Do you know what the circumstances were that they were obliged to withdraw without waiting for the annual meeting, what were the circumstances?—A. I would say that they wanted to put themselves right with the railway company or something of that kind; but of course it would only be supposition on my part.

Q. You have nothing but supposition, you had no knowledge on the point?—A. No knowledge.

Q. 'In severing our connection we wish to convey the information to your association that our intention is to confine our dealings to those who are regular and legitimate retail dealers. With kindest wishes and expressing the hope that your association may prosper.' From the beginning of every one of those letters down to the expression of the kind wishes for your prosperity, although written from different parts of British Columbia, they are all in exactly the same language?—A. I would fancy that that letter was typewritten by the secretary of the association and sent out by the individual firms.

Q. Do you know whether they consulted counsel to ascertain what position they had better take?—A. That would be the inference I would have.

Q. It would not be fair to ask you to draw an inference except as you may have some knowledge?—A. I have no knowledge.

Q. There is already in evidence a matter that I think ought to be cleared up. There are disparaging statements about the Union Supply Company being about to become insolvent. You investigated that, did you not?—A. No, I did not, I explained that the man who wrote the accusation put things right with these people, and he wrote saying there was no foundation for it.

Q. Then, as a matter of fairness, I think it should go in the evidence that you found it false and you notified Mr. Wells?—A. Yes, immediately.

Q. You say you notified the secretary of the Wholesalers' Association to cancel any impression that may have prevailed as to the insolvency of these people?—A. Yes, it was in consequence of a letter I had received, there was nothing beyond that.

Q. And practically the statement was withdrawn regarding them?—A. Yes.

Q. Do you know on account of the multiplicity of these letters, it struck me so many of these letters are all worded in the same way, can you give us any special reason why they all withdrew at that particular date?—A. You will notice that I got an intimation from the Mountain Association prior to that date that they had withdrawn.

Q. That is a different association?—A. A different association, but I think there was more or less of affiliation between them. I thought there was more or less of an affiliation between the two associations, and when the Mountain Association had taken that action they violated it.

By Mr. Schaffner:

Q. You think the two associations had considerable communication with each other?—A. Yes.

Q. You have no actual knowledge?—A. Oh, no.

Q. It is simply a supposition of yours?—A. Well, the only knowledge that I have is that I at one time attended a meeting at Nelson and there were representatives from Vancouver and the Mountains at that meeting.

Q. Was that a meeting of the association?—A. I would think so, the dealers were there.

Q. And you were there?—A. I was there, too. That would be previous to this, you know.

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By Mr. Lancaster:

Q. The sole and only reason given in every one of these letters is that their position was misunderstood and misrepresented?—A. I suppose.

Q. That is the only reason given?—A. Yes.

Q. Do you know what misunderstandings or what misrepresentations the railway authorities were labouring under, damaging the manufacturers to the extent that they had to withdraw from your association?—A. Well, it might possibly be they were feeling that they were suffering from any connection with this association in their dealings.

Q. What would the railways care whether a miller at the Coast was an honorary member of your Retail Association or not?—A. That is, the C.P.R. were at that time making an onslaught against the Retail Dealers' Association with the determination of smashing it.

Q. They were in competition, were they, more or less, with these mills?—A. They were using their influence, I think, with these mills to work with them.

Q. Was it because of the competition—I don't care whether it came from the railways or not—that caused these manufacturers to cease to be honorary members of the Retail Dealers' Association?—A. I don't think it would be competition at all.

Q. What was it then?—A. I think it was to put themselves in a better position with the railway companies.

Q. Let us get the practical part of it. What better position would the railway companies be in by the manufacturers not being honorary members of the Retail Dealers' Association?—A. The railway companies gave a statement that if there was not some change they would go on and erect mills and begin to manufacture lumber themselves.

Q. Some change in what?—A. With the manufacturers.

Q. I know it was with them, but what sort of change was it? What was it the railway companies were objecting to; a change of what kind?—A. I think their whole object was to interfere with the Retail Lumber Dealers' Association.

Q. To do what?—A. To interfere with the Retail Lumber Dealers' Association. They were wanting to use their influence with the manufacturers, both in the Mountains and at the Coast.

Q. To accomplish what?—A. To counteract the influence of the Western Retail Lumber Association with the retail trade.

Q. To what end was that influence enrolled? Let us get at the actual merit of this matter. To what end was that influence enrolled by the railways?—A. Well, I don't know. The announcement from Mr. Whyte was a surprise to myself as much as anybody else. I thought perhaps he was a little bit inflated.

By the Chairman:

Q. Did they not object to the prices the lumbermen were charging?—A. Yes, that the association was the cause of higher prices.

By Mr. Lancaster:

Q. Now, was it not because the railways—I do not want to put words into your mouth?—A. I will be very glad to have any suggestion you can give me.

Q. Was it because the railway companies were wanting to get the manufacturers to sell to you cheaper than they were selling?—A. To sell to me?

Q. To sell to the retailers?—A. Oh, no.

Q. Was it because the railway companies wanted the manufacturers not to deal with you at all?—A. Wanted them not to deal with us at all and so injure the association.

By Mr. Sloan:

Q. That is, injure the Retail Association?—A. Yes.

By Mr. Lancaster :

Q. Why?—A. They wanted to get the consumer cheaper lumber. That is what I understand Mr. Whyte's promulgation was.

Q. The railway companies thought the consumer was being charged too high a price for lumber?—A. Yes.

Q. Because of the retailers having some opportunity of dealing with the wholesalers, was that it?—A. Well, no, I don't know that there was any other reason than they just thought that the prices were too high, higher than they wanted them to be.

Q. They must have thought there was a combination between the two associations. Let us speak plainly, the railway companies must have thought that?—A. I don't know.

Q. The wholesalers were withdrawing from honorary membership in the Retailers' Association?—A. Yes.

Q. And they gave the reason—you don't say so—that their position was being misrepresented by the railway authorities?—A. Yes.

Q. Following that up, I understand you to say that the railway companies wanted to prevent you having the influence you did with the wholesalers?—A. Well, the railway companies were actuated by that.

Q. The railway companies wanted to prevent the retailers having as much influence as they did with the wholesalers?—A. I suppose.

Q. That is so, is it?—A. I presume they had an object of that kind. They wanted to make terms with the manufacturers as an object in reaching the retailers.

Q. The railway companies did?—A. Yes, I took it for granted. Excuse me for a moment. You will see an agreement entered into between the railway company and the manufacturers.

Q. At this time?—A. Well, perhaps a little later.

Q. This is the Coast men you are referring to?—A. I think Peters went out to the Coast and took a trip through there just for the purpose of getting them to side in and work together. The result was that the Canadian Pacific Railway Company posted up the wholesale prices at every station.

Q. And to get them to sell to the railway and not be limited to selling to you people? Is that it?—A. I don't know about selling to the railway companies. The railway companies did not get so far as being purchasers.

Q. But they wanted to be shippers to everybody and not be limited to carrying shipments to merely members of your association?—A. I think the railway company would like that.

Q. You think that is what the manufacturers mean when they say their position is being misunderstood by the public and the railway corporations?—A. Well, I know of no other reason. I don't know what they were meaning. I was not taken into their confidence, and I can only just come to a conclusion.

Q. I should have thought it would have startled you a little, to get within ten days letters from the millowners worded exactly in the same way, and all withdrawal, letters from the millowners worded exactly in the same way, and all withdrawal, both in the Mountains and at the Coast, that were having a little friction with our members in that way. They were selling the lumber. That is about the time that lumber sales were pretty slow, and they were coming in competition with American lumber.

Q. Is that all you can say about that series of letters?—A. I won't give any evidence on that.

By Mr. Schaffner :

Q. It does not seem to me very clear why the Canadian Pacific Railway was anxious to hit the retailer?—A. Because they charged the Retail Association with being the means of keeping up the price of lumber too high for the consumer.

Q. They charged the manufacturers just as well as the retailers. Why didn't they censure them?

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The CHAIRMAN.—There is the statement from Mr. Whyte in reference to it.

Mr. LANCASTER.—That was in April, 1904. These letters were written in December eight months later.

By Mr. Schaffner :

Q. I would like you to tell me how by these men withdrawing from membership in the Retailers' Association the railway could expect that to remedy matters?—A. They did not do that just at that time, these letters are subsequent to Mr. Whyte making the announcement that unless there was some change made on the part of the manufacturer that next season they would go into the lumber business themselves, that they had limits and that they would erect saw mills.

Q. I know that declaration was made but it was never carried out?—A. No, it was never carried out.

Q. What I would like to know is why the railway was blaming the retailers particularly?—A. I never knew myself, I did think it was something he thought was a rare pleasant thing to announce to the public when he got his promotion. I think his head was a little bit enlarged for the moment.

Q. They were not going into the retail business, they were going to manufacture?—A. No, no, sir, they were going to put in yards at the different stations.

Q. Then they should have just as much trouble with the manufacturers?—A. Yes, and in order not to do that they approached the manufacturers, saying to them, 'unless you do so and so, we will go on with our mills.' I think that is the influence they were willing to exercise.

By Mr. Lancaster :

Q. Well, the agreement with the Mountain mills seems to have been made in April?—A. That is between the railway company and the Mountain mills?

Q. Yes.—A. In April, 1904, there seems to be a copy of it somewhere here.

By Mr. Schaffner :

Q. I do not see yet why the railway authorities do not have the same grievance exactly against the manufacturers as they do against the retailers. Do you know why the Canadian Pacific Railway did not fulfil their threat?—A. They made a compact with the Mountain people there, according to that agreement, whereby the wholesale lists would be published at the stations, and, I do not know, I think they gave the manufacturers at the Coast some concession in the way of transportation charges on the lumber.

By Mr. Sloan :

Q. Yes, I think they reduced it on one or two lines.

By Mr. Schaffner :

Q. Yes, that is all on the part of the railway?—A. Then they were asking these people to help them in their attack on the association.

Q. Did the manufacturers make any concession to them to sell lumber any cheaper?—A. The concession there was a mutual one, they were to get a little less, and they were to be content to give the railways the wholesale prices to be posted at the stations as a guide to the consumers.

Q. Was it not the retail prices that were posted?—A. No, the wholesale price.

By the Chairman :

Q. But it was only done one year?—A. One year.

By Mr. Lancaster :

Q. Did any of these men ever rejoin your association?—A. Well, we did away with the ~~association~~ membership. In making the new set of by-laws

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we did not have any reference to honorary membership at all. After the manufacturers' resignation we changed the by-laws and expunged that part of it.

By the Chairman :

Q. I might say that although the honorary members were done away with Mr. Cockburn brought out in the evidence very plainly that they adopted the plan of furnishing to their members a list of the manufacturers who were friendly to the association, there were about 100 names on that list.

By Mr. Lancaster :

Q. And you did that notwithstanding the fact that they were not honorary members?—A. Oh, yes.

Q. So that it was a change in name but not in reality as to their connection with you?—A. There was no name at all about it.

Q. They were not honorary members, nominally, any longer? And yet they occupied exactly the same position practically as they did before when they were honorary members? They were the men your members were expected to buy from?—A. They expected to receive the benefits of our custom, that was the intention of that.

Q. Did we ask you about that trip of Mr. Marling out west to buy off Michaelis?—A. No, you did not.

Q. Do you know anything about it?—A. I know something about it.

Q. What do you know?—A. I know that the member at Pense came to Mr. Thompson, who had a table in my office, and they were discussing the matter. Mr. Thompson, at that time, was the secretary of the newly formed Manufacturers' Association, and this man suggested that he had seen Michaelis and that he had a block of timber that he could purchase at less than the wholesale list of the manufacturer, I think something like \$2 less. And it was thought it would be a very good move to take that block out of the way, as it was an interference with their business, that is what I suppose, I was not interfering in the matter at all.

Q. Were you here when Mr. Wilkinson gave evidence?—A. No, I was not.

Q. Mr. Wilkinson said that he went to you, or he rather indicated that you engineered that matter?—A. He is wrong.

Q. In his examination I asked him:

'Q. And as dealers in that town, you made a complaint?—A. Yes, sir.

'Q. Will you go on, please?—A. We met Mr. Cockburn, the secretary, and Mr. Thompson, who was a member of the executive in Winnipeg.'

—A. He never was.

Q. He was, as you say, secretary of the Manufacturers' Association?—A. Yes.

Q. He was never a member of your executive?—A. No, sir.

Q. In his examination, Mr. Wilkinson went on to say: 'We talked matters over, and Mr. Cockburn decided that the proper thing for the association to do was to send a delegate to the Coast, to interview the mills that were supplying Mr. Michaelis, and to try and come to some arrangement whereby the supply would be cut off, or to induce Mr. Michaelis not to ship more lumber. The proposition was to either offer the mill a bonus to cancel the contract with Mr. Michaelis, or to pay Mr. Michaelis a certain sum of money to go out of the business,' is that correct?—A. No.

Q. What is wrong about it?—A. Well, it is erroneous, not true.

Q. How much of it is not true?

By the Chairman :

Q. It is not true as far as you were concerned?—A. No, not true as far as I was concerned.

By Mr. Lancaster :

Q. Not true that the proposition was to offer the mill a bonus to cancel the contract?—A. Nor any proposition. When ~~the witness~~ ~~made~~ ~~to~~ ~~me~~ ~~about~~ ~~contributing~~

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money to go out to the Coast I said: 'Not one cent.' I did not think there was anything that was of any service to the retail members at all. I thought it was a matter between the manufacturers and Michaelis, that is, that they ought to get rid of him because of the competition, and that they had better do it. I decidedly refused to contribute. Then they went down to Mr. Sprague at his office and came back and said that Mr. Sprague said I should give some of the expenses. So I called up Mr. Sprague, and I said 'I do not think this is a matter for the Western Retail Lumbermen's Association.' At any rate he instructed me to give one-half the cost without any conditions.

The CHAIRMAN.—One-half of the expense of the trip.

By Mr. Lancaster:

Q. Mr. Sprague is an officer of the association?—A. Yes, he was then vice-president and is now president of the association.

Q. Of the Retailers' Association?—A. Yes.

Q. Then the association did contract to pay one-half of the cost?—A. Oh, yes.

Q. Mr. Sprague's action was never interfered with by the rest of the association?—A. I don't think so.

Q. And what about Mr. Marling? Is he the man who was sent?—A. He is the man who got the money, yes.

Q. And what was he to do? What was he to do on this trip with the money to which your association contributed?—A. I understood his part was this: that he was going first to see Michaelis and see whether he could make the purchase or not, as intended.

Q. What purchase?—A. He was going to report on this lumber that Michaelis had for sale, and he would then report to the Vancouver manufacturers as to the result of his trip.

Q. Well, what next?—A. Well, I don't know that I have ever heard anything about it.

Q. Was he to do nothing else but what you have told us?—A. That is just as far as I know.

Q. Was he not to see the wholesalers?—A. I have just said that, yes.

Q. He was to see them as well as Michaelis?—A. After he saw Michaelis, yes.

Q. He was to try and pull Michaelis off if he could or get the millers not to sell to Michaelis?—A. The Retail Association had nothing to do with it.

Q. They might use their influence?—A. They did not.

By the Chairman:

Q. The Retail Association had nothing to do with it, and still you have told us they bore one-half of the expense. They must have had something to do with it?—A. I am speaking as far as my action is concerned.

Q. But you were acting for the Retailers' Association?—A. Yes, and according to my mind it was not something I would do of my own knowledge.

By Mr. Lancaster:

Q. Yes, but you were not acting individually, as the chairman points out. You were not responsible probably individually, but you were acting in your capacity as secretary of the association, and carrying out the instructions of Mr. Sprague, the vice-president, and as such contributing one-half of the expenses of Marling on this trip?—A. Yes.

Q. So the association did have something to do with it?—A. So far as contributing one-half of the cost.

Q. But they did not contribute to the cost unless there was something in view? They did have an interest in the trip being successful, did they not?—A. I beg your pardon.

Q. They did have an interest in the trip being successful?—A. Well, I never knew of any of the retail members who were willing to undertake part of the lumber

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Q. Well, this man's expenses being partly paid by your association, what would you have got out of it if he had been successful?—A. This manufacturer would handle that lumber and sell it to the retail dealers.

Q. Exactly, and that would prevent the competition that was in your way?—A. I beg your pardon.

Q. You would prevent the competition that up to that time you had experienced?—A. That would have been the result.

Q. And that is what you had in your mind? Frankly, now, was it not?—A. It made no difference to the retail dealers, because they were going to buy from the honorary members, or the manufacturers at Vancouver, just the same, and they did not know whether it would be that particular lot of lumber or some other lot.

Q. As far as it went it would prevent competition, would it not?—A. On the part of the manufacturers, yes.

By the Chairman :

Q. The trouble had been caused by a man who was selling his lumber at \$2 a thousand less?—A. Yes, he was taking that much of the trade away.

The CHAIRMAN.—That is what started this man on his trip.

By Mr. Lancaster :

Q. Michaelis was getting business away from your association because he was selling cheaper to the consumer?—A. Yes, he was interfering with the members.

Q. He was cutting down prices and giving the people cheaper lumber?—A. Well, I suppose—

Q. Frankly, that is what this man Marling was trying to prevent—whether it was bad or good makes no difference?—A. It was a matter I had no part in at all. That is all I could say about it.

Q. Pardon me for suggesting you are mistaken in view of your own statement?—A. I just telephoned Mr. Sprague when they came back, and it was in opposition to my mind that I gave that money.

Q. But you were there as secretary of the association. You have informed us yourself that Mr. Sprague told you to go or suggested you should go?—That I would go?

Q. But you stated you did not want to go, and Marling was sent instead of you?—A. That is wrong; I do not recall anything of that kind.

Q. Did you not say a while ago that you did not want to go, and that Mr. Sprague was communicated with?—A. I never used such words.

Q. Then I certainly misunderstood you?—A. You were mistaken.

Q. Mr. Sprague said some one should go?—A. I don't even recall any such thing as that or hearing Mr. Sprague say that.

Q. He told you, at any rate, to pay half of this man's expenses?—A. Mr. Sprague's office was two miles away from mine, a mile anyway.

Q. You have informed us that he told you to pay one-half of this man's expenses?—A. They returned to me, and I declined to pay without any instructions.

Q. Exactly?—A. Yes.

Q. Why waste time in talking about it, if the fact is that Mr. Sprague did tell you to pay him? He told you to pay him?—A. Yes.

Q. And you did pay half of his expenses?—A. Yes, I followed out the instructions I received from Mr. Sprague.

Q. You will not persist, then, in your statement that you were not, as secretary, concerned in this matter? Individually you may not have wanted it done. Personally you did not think it was right to do it?—A. No, I was not in accord with it.

Q. We had a witness earlier in the investigation who would insist upon telling us what he did as a delegate and what he did as a man. You as secretary of the association did take the part you spoke of as a delegate and as a man

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Q. And there is no doubt that if the trip had been successful the people would have been prevented from getting lumber at a lower price?—A. It might have had that effect.

Q. Frankly, was that not the object of the man's trip?—A. I think so. I think it was just taking that much lumber out of the way.

Mr. SLOAN.—In what year was this trip made?

The CHAIRMAN.—In 1904, was it?

The WITNESS.—In the earlier part of 1904, it might be.

By Mr. Lancaster :

Q. The witness Wilkinson, according to the printed testimony, said it was in 1904. Here is a letter of May 10, 1906, written by you to W. H. McWilliams, city, that is Winnipeg:—

EXHIBIT No. 138.

'DEAR SIR,—Replying to your letter of the 8th inst., I inclose copies of some letters written in connection with correspondence had with Mr. Alexander and referred to by you. You will observe that Mr. Meillicke, in his letter of complaint made, did not state whether Mr. Olson was in the lumber business or not; consequently, in my letter to Mr. Alexander conveying the complaint, I simply referred to Mr. Olson as a non-member of this association, and which was as far as I had knowledge of. I might, however, state that it is my custom in corresponding upon matters of this kind simply to refer to members or non-members of this association as the case may be.'

A. Yes.

Q. You did draw a line between a man who was a member of your association and a man who was a non-member, in your correspondence?—A. Exactly.

Q. You go on to say:—

'In the interests of the association I avoid the term "legitimate," which is so often applied to dealers established in business, but not members of this association, and with whom we are not in sympathy.'

A. No.

Q. There is a little more than mere harmony or fellow-feeling in that: it is a clean-cut distinction between the man who belongs to the association and the man who does not, so far as you have power, so far as you yourself are concerned?—A. Yes.

By Mr. Fowler :

Q. Did you see a letter under date of May 20, 1906, from E. J. Meillicke & Sons; did you receive a letter from him?—A. Yes, several letters.

Q. In connection with Mr. Olson?—A. Yes.

By Mr. Lancaster :

Q. Continuing this letter of May 10 to Mr. McWilliams, you say:—

'The object we had in making the complaint was to bring the Vancouver association to stay further shipment to Olson, and let the case rest there. However, Mr. Alexander has recently written again wishing to be told whether Olson is a legitimate dealer. To enable me to give Mr. Alexander the information asked for, I have written Mr. Meillicke asking to be told whether Olson is in the lumber business or not. I replied at once to Mr. Alexander informing him that I had so written to Mr. Meillicke, and that I would, upon receipt of his letter in reply, inform Mr. Alexander accordingly.'

'We desire to obtain as many members of this association as we practically can accept, and appreciate any efforts on the part of the Mountain and Coast associations in their recommendations to intending dealers to become members of this asso-

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ciation, and will be found desirous of co-operating in the most friendly way in intercourses with the secretaries of these associations of mutual advantage.

‘This letter is only intended for personal information.’

Now, a letter like that is the reason I ask you, Mr. Cockburn, if we should not rather disregard that as being a matter of only harmony and friendliness between you. A letter like that, indicating as clearly as that indicates that you are anxious to keep the lumber trade in the hands of the members of the associations. In the case of Olson here you want to know whether he is a legitimate dealer, using the term ‘legitimate,’ which is so often applied to dealers in business, but not members of this association, and with whom we are not in sympathy?—A. ‘Legitimate’ is a word coined by them.

Q. You want him to understand that your sympathy does not go to the man, no matter how legitimate a dealer he may be, if he is not a member of your association. That is what you mean. You do not like to use the word ‘legitimate’ because he might be a legitimate dealer in one way, but not a member of your association, and therefore you would not use it in an equal sense as applied to the non-member?—A. No, I want everybody to understand that our members are legitimate dealers.

By Mr. Fowler :

Q. Outside your membership they are not legitimate?—A. They are non-members.

By Mr. Lancaster :

Q. This legitimacy, does it indicate if they are outside of this association?—A. That is why I would like to select the language, but it is different now with the manufacturers—

By Mr. Fowler :

Q. Your object was to prevent the manufacturers selling to any other than your members?—A. Decidedly.

Q. Your way was to co-operate for mutual advantage?—A. Yes.

Q. That is for the mutual advantage of the millers’ association and your own?—A. You see I would only be too glad to give them any information I could, and if I asked them for information I would be very glad to get it. I can say to you, in two or three words, that the only object of that friendly arrangement is to give our members a knowledge that some manufacturers are selling to non-members. It is the influence of our members as a body which will weigh upon the manufacturers in the proposition to concentrate their business as much as possible with us. That is our sole object, there is no connection between these associations other than that.

Q. And there are efforts being made all the time to work for each others mutual advantage?—A. That is a matter between the secretary and myself.

By the Chairman :

Q. It does not appear to be confined to the secretaries?—A. I can assure you that is all there is to it.

By Mr. Lancaster :

Q. Excepting that all members on both sides, as we have them yesterday or the day before, have taken a different view not only of the resolution, but other members of different associations assuming what I assume, but what, according to your evidence I am wrong in assuming, that this was the practice of freezing out people, and they have called upon you from time to time to forward their complaints to Mr. Wells, for instance, the secretary of the Millers’ Association?—A. Yes.

Q. And you would ask him to discipline his men, because they were breaking the rules?—A. I think I told you yesterday that I forwarded the complaint to the manufacturer who was complained of. I think there will be very few instances in which I even drew the secretary’s attention to it.

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Q. A man might be the means of putting another man in jail only because he goes to a judge and asks him to investigate the case, and because the judge decides that the man is guilty and convicts him, so that he is locked up, that it makes the trouble?—A. A man is responsible for his own acts, I suppose.

By Mr. Fowler :

Q. We have been discussing the Olson matter, I see here a letter dated May 30, 1906, from Mr. Meilicke to yourself?—A. Yes.

EXHIBIT No. 139.

Q. 'I beg to acknowledge the receipt of your letter of the 28th inst., and in reply beg to state that I am not of the opinion that Mr. Olson should be granted a membership at this place for the following reasons.' Do you recollect it?—A. I do.

Q. 'In the first place, he came in here entirely in opposition to the association and with the intention of fighting it to a finish. He obtained material under false pretences, in the first instance, by claiming he was a dealer here when he was a farmer in the country. Since then he has gone to mills and claimed he was a member of the association and under those statements obtained material. I can produce evidence to prove this. I do not think the gentleman has sufficient capital to carry on the lumber business in a proper manner, and I think it is for this reason that no prices can be adjusted with him. One day the prices are this, the next day, when urgencies are a little greater, the prices are that. We cannot depend on what he says. We were not against granting a membership to Prestholt Bros. at Hanley, under proper arrangements, because, we were of the opinion that they could carry on a decent business, but we do not for one moment like the idea of granting Mr. Olson a membership at this place as it means a fight all the way through anyhow, and we feel we can do that better when he is out of the association than when he is in. I do not think that he has ever asked for a membership until now, and I know exactly under what circumstances the application was made. It seems that for some time past, the only place where Mr. Olson could get any material was from the Pacific Coast Lumber Company, and Mr. Merriott, who represents that company, called here a few days ago, and when informed that Mr. Olson was not a member of the association he told Mr. Olson that he could receive no more stuff from them unless he was a member. Mr. Olson immediately saw the advantage of becoming a member, and Mr. Merriott wrote out the application and Mr. Olson signed it. For the reasons set forth, I do not think Mr. Olson should become a member of our association and I wish to register my objection to it.

'I also wish to speak of another application which you may have or which you soon will get, that is for another yard in Nutana, in opposition to Mr. Brown. I do not think Mr. Brown has done business enough in Nutana to pay expenses until this year. This year looks as if he might make a little money and immediately another concern is willing to share the profit with him. I think he is entitled, at least this year, to go on there without being bothered, and I hope you and the rest of the executive will see the matter in the same light that I do.

'I beg to be,

'Yours very respectfully,

'H. E. MEILICKE.'

By Mr. Fowler :

Q. Can you give me the answer to that?—A. To which one, sir?

Q. To the one of May 30, 1906.

The CHAIRMAN.—Would it be among the other letters here?

The WITNESS.—There should be a carbon copy there in answer to Meilicke's letter?

Q. Yes.—So far as Olson is concerned, the person who made the application came in later and withdrew it by word of mouth.

Q. Merriott came in later and withdrew the application by word of mouth?—A. Yes.

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Q. Did he give you any reasons why he withdrew it?—A. I suppose he had some business from Meilicke; he did not give me any particular reason.

Q. Did he give you any general reason?—A. That is the inference. Meilicke and he suited each other better. I presume he got an order from Meilicke, and he would naturally prefer to do business with him. I am only supposing that.

Q. Did you gather that from what he told you?—A. Yes I did.

Q. After he got Olson to sign an application he had a conversation with Meilicke, and as a result of that conversation wished to withdraw the application?—A. Meilicke lives a long way from Winnipeg, but Merriott came on to Winnipeg.

Q. Then what you gather from this statement was that he had a conversation with Meilicke and as a result of that wanted to withdraw that application of Olson's?—A. I concluded there was some friendly feeling between them anyway. I supposed he had got an order for some lumber and he would naturally think Meilicke's yard was a better yard than the other one.

Q. You answered Mr. Meilicke's letter, Mr. Cockburn?—A. I am not very sure whether I answered his letter directly on that or not, because there was no action taken.

Q. Olson did not come in?—A. No.

Q. Do you recall anything about that Nutana matter where Brown was?—A. Yes.

Q. Was there an application to come into the association in that case also?—A. Yes.

Q. What did you do with that?—A. Nothing was done.

Q. You did not let him in?—A. The members decided there was not business for more yards.

Q. What is your rule as to the volume of business before you can let a second man in?—A. Oh well—

Q. Must there be so many cars a year?—A. So many cars a year has an influence.

Q. How many?—A. It is generally concluded that if there is a business of sixty cars a year there is room for two yards.

Q. That is one reason?—A. That is one reason. We don't always act on that reason. Sometimes we let a second member in. If the member there was not keeping sufficient stock for the requirements we put another man in right away.

Q. How do you ascertain those facts?—A. I had myself a list of a number of cars that would be delivered at the station.

Q. You would ascertain that?—A. Yes, and then I would ask the resident dealer what his objections were and the applicant. I would ask him to furnish me with the number of cars that had been sold at that particular point.

Q. I know you would get that; that is a very easy matter to ascertain. But how would you ascertain that the resident dealer was keeping an insufficient stock of lumber?—A. From reports.

Q. From reports?—A. The applicant might allege that the applicant for the yard—

Q. Would you accept merely what he alleged?—A. I would give it consideration and then inquire and charge the member with the fact and give him a chance to rectify himself if he could.

Q. And was he the man you inquired from?—A. I would inquire of the member, yes.

Q. And supposing he answered and said he had got sufficient lumber, what would happen then?—A. If he satisfied me that there was and there was not sufficient business—

Q. No, no; you are begging the question?—A. Well, all right.

Q. We will get at it this way: we will suppose there is an application made for a second yard at Nutana?—A. Yes.

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Q. The applicant alleges there is sufficient business there for two men?—A. Yes.

Q. That at least sixty cars a year are distributed from there?—A. Yes.

Q. He alleges also that the present member does not keep a sufficient stock of lumber?—A. Yes.

Q. You write to the resident man, and he says to you, 'There are not sixty cars distributed, and I keep all the stocks of lumber that are necessary for the people in this locality.' Now, then, what do you do?—A. I might inquire from another member near by to know the conditions.

Q. Don't you have a member of the executive in that district?—A. Yes.

Q. Would you not inquire from him?—A. Yes, you will see I did. Mr. Meilicke was a director.

Q. I am trying to get at your *modus operandi*. Don't imagine I am trying to get you in a hole. I am only trying to find out how it was done?—A. Well, I tried to seize myself with as much information as I could get.

Q. If there was a difference of opinion, a difference of statement rather, between the two parties—the applicant and the resident man—would you naturally inquire of the member of your executive who resides nearest that point?—A. Certainly.

Q. Of course, why did you not say so? Then you would depend upon his report as to the executive deciding in regard to that second application?—A. It would have an influence.

Q. Would it not have an overpowering influence?—A. No, the matter would go to the executive.

Q. It seems to me it had to go?—A. It would go to the executive. There is an executive behind me.

Q. What do you say?—A. I say the executive is behind me in matters of that kind.

Q. Exactly, an executive is behind you, of course. But would it not have all the influence with the executive? There is a member of the executive resides in the district, who must be familiar with the circumstances, and must know whether there is room for a second yard or not. Would his report not absolutely decide the matter?—A. Yes.

Q. And would it not be a mere formal matter for your executive to pass on it?—A. Yes.

Q. Well, why not say so. Here is another letter from W. H. McWilliams?—A. Yes.

Q. The letter is as follows (reads) :—

EXHIBIT No. 140.

'THE CANADIAN ELEVATOR COMPANY (LIMITED),

'LUMBER DEPARTMENT,

'WINNIPEG, MAN., May 8, 1906.

'ISAAC COCKBURN, Esq., Secretary,

'Western Retail Lumbermen's Association,

'Winnipeg, Man.

'DEAR SIR,—We inclose herewith some correspondence from Mr. Alexander, the secretary of the Coast Lumber Association with reference to a complaint of Meilicke & Son against the Pacific Coast Co. shipping material to one Olson at Dundurn.

'When I was at the Coast I told Mr. Alexander that we were going to endeavour to get all the regular lumber dealers into the association, and if any of the mills at the Coast or in the Mountains had been shipping to dealers not regular members of our association, we wanted them to help us to get them into the association. If this could not be done they must refuse to ship any material to them. This they agreed with me they were willing to do.

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'It seems from this correspondence that Mr. Alexander requested some information regarding this Mr. Olson, and up to this time he has received no answer. I think you should endeavour to be as frank as possible with the Coast secretary with reference to these matters, with the idea of working in harmony with him.

'I shall be pleased to have a letter from you, attached to this correspondence, so that I can answer Mr. Alexander's letters.

'Yours truly,

(Signed) 'W. H. McWILLIAMS,

'Manager.'

Q. You got that letter did you?—A. Yes.

Q. Your reply of May 10, 1905, to Mr. McWilliams, has been already read. (Exhibit No. 138)?—A. Yes. You will understand that Mr. McWilliams means the Canadian Elevator Company who have a membership at that very point. You will understand that Mr. McWilliams, the Canadian Elevator Company, Limited, had the yard at that point and they are equally interested with Meilicke.

Q. Here is another letter from Mr. McWilliams :

EXHIBIT No. 141.

'WINNIPEG, May 11, 1906.

'ISAAC COONBURN, Esq.,

'Secretary, Western Ret. Lumbermen's Assn.,

'Winnipeg, Man.

'DEAR SIR,—I beg to acknowledge receipt of your favour of May 10, inclosing correspondence in connection with the shipment of lumber by the Pacific Coast Lumber Company to one Olson at Dundurn. I am glad to note that this matter is in a fair way to be adjusted satisfactorily to Mr. Meilicke.

'Conditions at the Coast and in the Mountains at the present time will undoubtedly make it very difficult for lumber dealers not regular members of the association to get their supplies. As a matter of fact, it is very hard for the members to get their orders filled with any sort of despatch.

'I beg to return herewith the correspondence with Mr. Meilicke.'

I will read this answer to him from you.

EXHIBIT No. 142.

'June 3, 1906.

'H. E. MEILICKE, Esq.,

'Dundurn, Sask.

'DEAR SIR,—On my return here to-day I have your letter of the 30th ult., and have noted contents of same. I may say that I had conversation last week with Marriott, traveller for the Pacific Coast Lumber Company, in relation to the application made by Olson. I inferred from his remarks that he did not feel too sure of Olson being a good man to grant membership to. I asked him to write me a letter in a private way giving me his opinion in the matter and I would treat it as personal information. He promised to do this when he reached Brandon on his return, but he has not yet written me. I in any case will bring the matter before our executive board before any action is taken in the matter.'

'To-day I have a letter from the Pacific Coast Lumber Company as follows :

'We have a customer at Dundurn for the last year by the name of Otto T. Olson & Co. They are not members of this association, and if it is their desire that they should become members please let us know. These people have bought a large quantity of lumber from us, and Messrs. Meilicke are objecting to our selling them. We suppose that if they join the association they would be satisfied.

'(Signed), PACIFIC COAST LUMBER CO.'

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Q. That is a letter written by yourself?—A. Yes, to Meilicke.

Q. That is in connection with Olson?—A. That is just what I recall.

Q. This man Olson, according to this letter, of the Pacific Coast Lumber Company was buying a large quantity of lumber, what was the objection?—A. The objection they gave was that he was a contractor.

Q. That he was not keeping a yard?—A. He did not have a yard, I think, he might have had a yard, but that was his business, and any surplus lumber he would have for sale there.

Q. This man kept a yard, would you allow him to engage in any other business, for instance, could he not keep a livery stable?—A. Our laws are prohibitory where a man is a contractor and there are two yards at the same point.

Q. Supposing a man was a lumber dealer and took contracts for building, would that shut him out?—A. Yes.

Q. Why would you make a distinction between the contractor and a livery stable keeper?—A. I would make a distinction this way that if there were two members at one point and one was contracting and had a lumber yard he could so arrange it that he would sell his lumber to the disadvantage of his competitor.

Q. How would he sell it to the disadvantage of his competitor?—A. Because he could perhaps lower his contract prices a little in order to get them to take his lumber. According to our by-laws where there are two dealers at one point one must not be a contractor. But where there is only one dealer there is no objection to his contracting.

Q. Would not the contractor really come into competition with other contractors in lowering the price of his lumber? Would he not be able by lowering the price of his lumber to take a contract lower?—A. Yes.

Q. How would he be interfering with the other lumber dealer? What difference would it make to the other lumber dealer, that is my point, at what price he sold lumber that went into the contract?—A. I have already stated to you.

Q. They would not get that price anyway?—A. It would not be fair to the other contractors there.

Q. Why do you care about the other contractors? Why do you take them under your paternal wing?—A. I am not in that business.

Q. Why do you take the contractors under your paternal wing?—A. So far as I know I have told you what the by-laws are, they are there and they speak for themselves.

Q. I know, that is what I want to know, the reason?—A. I am not here to hedge at all, go on.

Q. I do not want you to, but it seems to me that you are taking a very peculiar view?—A. I must be honest.

Q. Yes, it is a very necessary thing to be honest. Look, here is a man you make objection to, not because he does not use a large quantity of lumber, because he does, but simply because he is a contractor as well as keeping a lumber yard?—A. Yes.

Q. You say a man may be a livery stable keeper and may keep a lumber yard?—A. Yes.

Q. He may preach the gospel and keep a lumber yard, he may follow any occupation he likes and keep a lumber yard?—A. Yes.

By Mr. Lancaster :

Q. I do not think you take the right view. Is that the view of the association you are putting forward?—A. It is, as strictly expressed in the by-laws which are as I have stated to you.

Q. That no lumber dealer can be a contractor?—A. Not where there are two dealers at one point, the reason of that is in fairness to both.

Q. This certainly could not apply, it could not possibly be in fairness to the other dealer, he might have the opportunity to cut upon the price of his contract and thus

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interfere with other contractors ?—A. And sell that much more lumber than his competitor.

Q. He could only sell lumber that he was using in his contracts ?—A. Yes.

Q. He would rather buy that much more than the other man ?—A. He would not have to sell, he would be in a position to meet the other contractors unfairly.

By Mr. Fowler :

Q. Where is your by-law, find that clause, I cannot think it is there?—A. I think you have the by-laws there.

Mr. SCHAFFNER.—Here are the by-laws of 1905.

The WITNESS.—That will have it, too.

Q. This is the by-law. (Reads) :

‘7. Whereas it is considered advisable to avoid any undue advantage as between active dealers, no member of this association may be a contractor for doing work, or becoming security for the due completion of work contracted for, except as provided in the next section, and that specified retail prices be given to all consumers or contractors asking for tenders.

‘The executive committee or board of directors, at such points where there is only one member established, may allow such member to enter into contracts, provided that no interference with the business relations of other members is likely to arise therefrom.’

Well, sir, I have no hesitation in saying that is a by-law that ought to be struck out of your association ?—A. It has always been there.

Q. I think that is a most absurd and ridiculous by-law ?—A. It has been there for sixteen years.

Mr. FOWLER.—It is not a bit more venerable to me on account of its age.

By Mr. Lancaster :

Q. Was this by-law adopted because you wanted to force the contractor to buy from your members ?—A. Oh, no, that is as between the members. You will read a little further there where there is only one member, he buys and the contractor does as he likes.

Q. So you see that as this thing works out this man is not to be a member of your association ?—A. No.

Q. Well, then, if he is not a member of your association he would not be able to get lumber from the wholesaler ?

Mr. FOWLER.—He could not get it from them at all.

Q. He could not get lumber from the miller because he was not a member of your association and he would be forced to buy from the retailers would he not ?—A. Yes.

Q. Is this not what you want the contractor to do, to buy lumber from the retailer instead of the wholesaler ?—A. That is one object, it would not hold good.

By Mr. Fowler :

Q. I may be dense but supposing there are two dealers in a place ?—A. Yes.

Q. Both having a lumber yard and both keeping a stock of lumber as required by your other by-laws ?—A. Yes.

Q. And one in addition to selling to the general public takes contracts, using his own lumber for the purpose of carrying on those contracts? You say that is an injury to the other dealer? You could not prove that before any intelligent body of men.

No answer.

By Mr. Lancaster :

Q. Using up that much lumber would be helping you I should think instead of

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hurting you?—A. Very often too, a man held a contract and the others would be at a disadvantage.

Q. As I said just now you want to force that man to buy from the retailer at the retailer's profits?—A. It is saying nothing about contractors—they are always too glad to sell to contractors—but it is the member who is not the contractor.

Mr. FOWLER.—You will not allow a contractor to be a member although he keeps a yard and complies with every one of the other conditions.

By Mr. Lancaster :

Q. If he is not a member of your Retailers' Association he is therefore not on your harmonious list, or whatever you like to call it, and the millers will not sell to him?—A. No they would not.

Q. Then where would he buy lumber to build a residence?—A. From the retail dealer or anybody that would sell to better advantage.

Q. I should have thought your main object was to force this man to buy from the retailer and pay the retailers' profits?—A. Of course that is an object.

Q. You should have said so. I think that is the principal reason, is it not?—A. No, the principal reason is to put them on an equality, both dealers. They split on very small things in country points.

By Mr. Fowler :

Q. They must. Would you say that a retailer would have no right to build his own house out of lumber in his own yard?—A. Certainly a right.

Q. Well would he have a right to give a contract for work and to supply lumber to the man who contracted for the work?—A. He would make his business with a contractor for lumber for his own use just as he felt like doing.

Q. I don't know how far you extended the principle?—A. That is not the intention at all. The intention is to have an equality.

Q. I think when you go back you had better strike out that by-law?—A. I am not connected with it now.

Q. Here is a letter to yourself from Hughes & Co., of Brandon, Man., dated June 9. (Reads) :

EXHIBIT No. 143.

'DEAR SIR,—Yours of the 8th inst., *re* the Gillespie Lumber Co. to hand.

'We certainly must protest against the application of these people for membership meeting with the approval of the association. Brandon now has four lumber yards which hold membership, and the volume of business done is no more than sufficient for the present members to handle. This man Gillespie is a contractor building some houses in the city, and is trying to ring into the lumber business. We have found him to make prices which are only about seven per cent above the wholesale price list of to-day. Or to make it more plain to you he has been quoting shiplap at \$23 and No. 3 boards at \$21. You can easily see that we cannot successfully carry on the lumber business on any such profits.

'Of course you know this man is being supplied with material from the Rat Portage Lumber Company, who, no doubt, may be giving him a discount off the price list to enable him to make it unprofitable for the rest of the members here.

Q. Did you investigate that?—A. Yes I brought the matter before the executive.

Q. Did they put Hughes out of the association?—A. No, Hughes was making the complaint.

Q. I don't mean Hughes, I mean Gillespie?—A. They did not give him membership.

Q. Here is a letter to yourself from Hughes & Co. to yourself (reads) :

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EXHIBIT No. 144.

'DEAR SIR,—I have to report having had a meeting last Saturday night and some little progress made. It is certainly the decision that Mr. Gillespie should not be admitted to the association. I saw Mr. D. C. Cameron to-day and I think he will discontinue shipping Mr. Gillespie any more stuff.

'I had a talk to-day with Mr. O'Hara, and he thinks he would like to go down and meet the executive when they hold their meeting, and if you will be good enough to let us know a day or two ahead he and I will go down.'

There is another paragraph which I should have read to you from the letter (Exhibit No. 143) of Hughes & Co., of June 9, as follows (reads):—

'You will remember we strongly opposed the admitting of McDiarmid, but through the influence of Mr. D. C. Cameron you placed him on the list. It is not difficult to review how difficult it has been to keep prices since his admission. If we were to consent to Gillespie being placed on the list Mr. Cameron would again feel that he had accomplished his purpose.

'We feel all the other members of the wholesale association have endeavoured to act squarely with the retail members here, and if pressure can be brought to bear upon the Rat Portage Lumber Company, to have them discontinue supplying these people it would soon dispose of them, as we do not think that they would be able to procure goods from any other source.'

Q. Did you discipline Mr. Cameron for his improper dealing?—A. No.

Q. You did not?—A. No.

Q. The Hanbury Manufacturing Company, manufacturers of spruce lumber at Brandon, are in the association. Are they honorary members?—A. Well, they are retail members, too.

Q. Here is a letter from them to you dated Brandon, June 7, 1906. (Reads):

EXHIBIT No. 145.

'We are in receipt of your favour of the 3rd and called Messrs. Gillespie Lumber Company up over phone, and they state that their application was sent in to you yesterday, so trust you have received same and that their application will be accepted by the board.'

Q. The Hanbury people wanted the Gillespie Company made members, but the Hughes people did not. That is the whole thing, is it?—A. Yes.

Q. The Hanbury people are retail dealers at Brandon?—A. They have a saw-mill there and retail as well.

Q. They retail as well and the Hughes people are retailers also?—A. There are other dealers.

Q. There are two others besides, making four?—A. Yes.

Q. There was a difference between these two. How did you decide?—A. The matter was brought before the board. A delegation came down of the dealers there and the majority of the board was opposed to granting membership, under the condition that he was a contractor. You will see my letter to Mr. Gillespie in answer conveying my opinion about it.

Q. Here is the application of the Gillespie Lumber Company which I should have commenced by reading. (Reads):

EXHIBIT No. 146.

'BRANDON, June 5, 1906.

'ISAAC COCKBURN, Esq.,
Winnipeg, Man.

'DEAR SIR,—We beg to make application for membership in the Lumbermen's Association, and inclosed you will find cheque for \$20.15 which we understand is the initial fee.

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‘We would ask you to be good enough to let us know whether our application is accepted or not.’

Then you say in answer. (Reads) :

EXHIBIT No. 147.

MESSRS. GILLESPIE LUMBER Co.,
Brandon, Man.

‘DEAR SIRs,—Your application for membership is received, and also a cheque for \$20.15 intended as payment for membership fee. The membership fee is \$25. I will be unable to present your application to our executive for about two weeks as yet owing to our president being absent and will not return sooner than that time, but I will duly advise you.

‘I enclose a formal application, which you can sign and return.’

Then the Gillespie Lumber Company wrote to you under date of June 12, as follows. (Reads) :

EXHIBIT No. 148.

‘DEAR SIR,—I am enclosing application for membership in the Western Retail Lumbermen’s Association, and also money order for \$5 to complete the \$25 membership fee.

‘Trusting that your executive will look upon our application with favour, we remain,

Yours truly.’

Your answer to that is as follows:—

EXHIBIT No. 149.

‘July 11, 1906.

‘MESSRS. GILLESPIE LUMBER COMPANY,
‘Brandon, Man.

‘DEAR SIRs,—At a meeting of the executive held here yesterday the matter of your application for membership in this association was considered, and I might say that it was shown to the directors that you were not a regular dealer in the lumber business, but that your business was that of contracting and building. The by-laws of our association do not permit of its members contracting. Its intention is to apply to the regular dealer, and I am inclined to think that were you at any time preparer to confine your business to that of a retail lumber trade, your application would be considered.

‘I herein return you your payment remitted to cover membership fee.

‘Yours truly,

‘Sec.-Treas.’

In reply to that the Gillespie Lumber Company, Ltd., wrote you under the date of July 14, 1906, from Brandon, as follows:—

EXHIBIT No. 150.

‘DEAR SIR,—We beg to acknowledge the receipt of your favour of the 11th instant inclosing our cheque and express order. We have noted the contents of your letter, in which you state that our business is that of contracting and building. We do not know where you got your information, but it is entirely false, as the Gillespie Lumber Company, Limited, has never taken a contract and never has built a house for sale.

‘We would ask you or your executive if they would expel from membership any member or members if we could prove to you that these members have built houses for sale or have been parties to taking contracts. We hardly think that we have been fairly treated in this matter. We should be entitled to a chance to present our side of the

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case. We feel that we are eligible for membership, as we are in the retail lumber business solely and are doing a good business and intend to stay in it. We trust that your executive will reconsider our case, and give us a chance to appear personally before them.'

Q. What was done in respect to that?—A. The application was not accepted?

Q. Did you give these gentlemen the opportunity of appearing before your executive in person and presenting their case?—A. Oh, yes, there was a large deputation came.

Q. That was the other side?—A. I asked our travelling secretary to go there and investigate.

Q. I asked you if these gentlemen were given the opportunity they asked for to appear before the executive and present their case personally?—A. Later on.

Q. Did you do it later on?—A. I did. In a letter I told them—

Q. I am not asking you that. I will ask you the question again: Did the executive give these gentlemen an opportunity to appear before them and present their case?—A. I do not recall that they did.

Q. Why not?—A. I think there was full evidence given to them before—according to my own mind I think they should have—

Q. You are an advocate of the principle of trying a man behind his back although he requests the privilege of appearing?—A. I am not.

Q. You do not agree with the action of the executive in that case?—A. I do not.

Q. You say the executive was wrong in keeping them out of membership?—A. I think so.

Q. They were absolutely wrong?—A. Yes, and I think the president will confirm my view.

Q. Knowing the president as I do, I am sure he will. What was done, however, was that they were not allowed to appear?—A. There was nothing done because we had taken a good deal of trouble to inquire, and the conditions were shown to the executive, and there was a majority against them, and that was the end of it.

Q. Then here is the position, let us see if I am stating the affair correctly: the Gillespie Company, who claim to be retail dealers in the City of Brandon, made an application for membership?—A. Yes.

Q. Enclosing the necessary fee?—A. Yes.

Q. Their application was supported by Hanbury Brothers, another retail lumber firm in the city of Brandon?—A. Yes.

Q. Their application was opposed by Hughes and two others?—A. Yes.

Q. Who were also retail lumber dealers in the city of Brandon?—A. Oh, yes.

Q. Their application was opposed on the ground that Gillespie & Co. were contractors as well as retail lumber dealers?—A. Yes.

Q. The charge was denied by the Gillespies, and they requested that they be given the opportunity to meet your executive and prove that they were not guilty of the charge, that is correct, is it not?—A. Yes.

Q. Your committee took the word of the three men who are retail dealers and who were opposed to Gillespie as against the word of the Gillespies themselves and Hanbury, the other retail dealer, who was supporting their application? And without giving them the opportunity to meet the executive it was decided that they should not be admitted to membership, is that a fair statement?—A. Well, with this explanation that three members of the executive were for rejecting the application and two were in favour of granting it.

Q. The executive stood three to two?—A. Yes.

Q. That is the exact statement of the case?—A. Yes.

By Mr. Lancaster :

Q. In regard to the Hanbury matter, in the early part of 1906, Mr. Fowler asked you about this before, I do not see the letter—

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it, and perhaps you will remember it, but the Hanburys applied for membership and got it, did they not?—A. The Hanbury people?

Q. Did you say the Hanbury people applied?—A. No, they wrote on behalf of the Gillespies.

Q. Why were the Hanbury people trying to cut in and sell lumber to Bradley?—A. I do not understand.

Q. I see here a letter dated November 11, 1905, from Mr. James H. Forman, of Westwood, Man.; he is apparently the successor to Puddicombe?—A. Yes.

Q. He is making a complaint that there was a car of lumber shipped in there by Hanbury Manufacturing Company, Brandon?—A. Yes.

Q. His letter is as follows :

EXHIBIT No. 151.

‘Mr. ISAAC COCKBURN,

‘Secy. W. R. L. Ass., Winnipeg.

‘DEAR SIR,—On Nov. 1st there was a car of lumber, car No. 146842, shipped in here by Hanbury Mfg. Co., of Brandon. It was shipped to John Bradley. As you will note, it was one of the largest cars built, and that is 80,000- lb. car, and it was loaded to its full capacity. In this car was material to build a large stable, and I think also plank enough for a deep well. They refused to allow me any commission on this car, saying they understood it was for railroad purposes. Now, I know that this material was bought solely for building a stable on Mr. Bradley’s farm, about six miles south of here. Now, I think I have used Hanbury Mfg. Co. very fair, as I have since I started up here about a year ago paid them about \$2,000, and have got over \$3,000 worth of lumber, &c., from them. Please look into this matter and you will oblige me.

‘Yours very truly.’

I regret to say I cannot find any answer from you to that letter. I do not say it is not here, but I have not been able to pick it out. I find a letter about a month later to you——?—A. In that letter I think you will see they are thanking me for the attention I gave to the matter.

Q. That is what I want to draw your attention to; it is their reply under date of December 14, 1905, by Mr. Forman to yourself:—

EXHIBIT No. 152.

‘DEAR SIR,—Yours of December 5 to hand in due time, and I beg to say that Hanbury Mfg. Co. did send me credit note for commission on car of lumber shipped to Bradley. I received same within a few days after you had written them. Thanking you for your work in this matter.’

Q. Does that mean that you fined these people that commission?—A. I did not fine them at all.

Q. What did you do?—A. I just recommended that it would be the proper thing to do considering that Forman was their customer, and they fell into line with my suggestion.

Q. You suggested that they might pay this man this commission?—A. I suggested that it would be a proper thing for them to do, and they fell into line with my view, and gave him the credit.

Q. You do not like the word ‘fine,’ but really it is not different?—A. Yes, there is a great deal of difference, because I did not say they must do that. I advised them, ‘fine’ would mean that they would have to do it.

Q. I do not know, but you brought it before them, and you suggested that they should do this?—A. I used my influence in that way.

Q. Whatever you call it, whether it was a fine or a bonus, they paid this man that money to make good the profit that he would have obtained if the car had been bought

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from him—?—A. Yes, I thought it was fair, and Mr. Hanbury agreed that it was a reasonable suggestion.

Q. I would like to ask you about a letter from Peter McLaren, dated at Macleod, December 13, 1905:—

EXHIBIT No. 153.

'ISAAC COCKBURN, Esq.

'Winnipeg, Man.

'DEAR SIR,—Beg to bring before you the fact that a large percentage of the saw-mill firms in the Mountains are opening up retail lumber yards throughout the country, and I am satisfied that it is going to be a serious mistake. What I look forward to is that the retail firms that have no mills to back them up will refuse to make purchases from mills that have an interest in retail yards, and that may result in further developing trade with mills across the line, something that we all are anxious to discourage. I have exchanged letters recently with Geo. S. Wells, secretary of the M.L.M. Association, and he is very much interested in combating this move on the part of the millmen. I would be pleased to hear from you on the subject.'

This is to you as secretary of the association?

'And I certainly think it ought to be brought up at the first meeting of our association. You may think that this firm is rather inconsistent in advocating something in which they transgressed by operating a retail yard here. Allow me to explain why we do. Up to the spring of 1899 our mill was located here. It was then moved to Blairmore, the present location, and as we did little else but cater to the retail trade in this vicinity, we have continued to do so, largely owing to the fact that there is not any banking facilities at Blairmore, and where we are compelled to keep our head office at this point we feel justified in doing business to help to pay the expense.'

I have not your answer to that letter here on file?—A. What date is it?

Q. December 13, 1905.—A. Yes, it should be here.

Q. It is a year ago last December?—A. At any rate I think I could satisfy you without referring to the answer. We dropped out of the Alberta business altogether in January, 1906, in the winter of 1906, and there was nothing to come of it.

Q. I am using this in view of a statement you made yesterday—I thought that perhaps you would qualify it to-day, but you have not yet—to the effect that the two associations were not working together. I point out to you, here is a man who is a manufacturer as well as a dealer in lumber, lath, shingles, doors and mouldings at Macleod, Alberta, and he says to you that he is bringing this proposition before the Mountain Lumber Manufacturers' Association. He has written to their secretary, Mr. Wells, and he is now writing to you with a view of getting your association of retailers, as well as the wholesalers, to come together—you don't like the word combine—to bring about that result for the benefit of both?—A. Yes, I might say—

Q. This is acting on the lines I suggested?—A. I might say from my knowledge of McLaren and the Mountain Association, they were not always getting on together, and he was taking action to put himself right with the association and to strengthen his own position.

Q. I don't care what his motive was, it is so, is it not? He assumes at any rate that the two associations are working together? More than that he is writing to both of you and asking you to work together to bring about that result—that is to say to the wholesale association and to your retailers' association?—A. Yes. What is the date of his letter again?

Q. December 13, 1905?—A. What name does he sign? Does he sign his own name.

Q. It is signed 'Peter McLaren, per D. G. McPhail, Mgr.'—A. This is the answer to it (Reads)—

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EXHIBIT No. 154.

‘December 15, 1905.

‘HON. PETER McLAREN,

‘D. G. McPHAIL, Esq., Manager.

‘DEAR SIR,—Your letter of the 13th inst., is received and we note contents. I have no doubt the retail members of this association will be inclined to resent the fact of any manufacturers ignoring the retail members in making sales outside of the members of this association. I fear that the attitude of a great many of the manufacturers in the Mountain is not considerate or friendly to the members of this association. This phase of the situation I have no doubt will be well ventilated and discussed at the annual meeting of the association, which is expected to be held some time in January.

‘We have always had much pleasure in noticing that you hitherto have had careful regard, in making your sales, to members of this association. We do not think it is at all inconsistent for you to have your retail lumber yard at Macleod, but I will introduce your letter to our members at the annual meeting and I am sure your views will be considered with much favour.’

Q. Do you remember anything more than that about it ?—A. No.

Q. You do not remember anything more about what happened ?—A. I don’t think anything happened.

Q. There was no correspondence between the two associations ? You see he had written to Mr. Wells, to burn that end of the candle ?—A. No, I don’t recall any correspondence.

By Mr. Fowler :

Q. In regard to this Mr. Olson, you did not grant his application at any time ?—A. No.

Q. Was it ever brought up before you ?—A. I think it was.

Q. What was the decision ?—A. He was not granted membership. I would not be very positive whether it was or not, but I think it was. Mr. McWilliams was a member of the executive, that is Mr. McWilliams who writes in relationship to it, and Mr. Meilicke was a resident director. They are both directors.

Q. Therefore it was not granted ?—A. It was not granted, no.

Q. I notice here that on February 12, 1907 it is moved by G. E. Davidson, seconded by R. W. Gibson,

‘That the application of O. T. Olson stand over until the secretary write Meilicke & Company—’

O. T. Olson, that will be the same man, will it not ?—A. Yes.

Q. ‘stand over until the secretary write Meilicke & Son to see if they have withdrawn opposition to this party, if not then the association feel that there is room for two members at that point, and would be disposed to grant membership to some responsible party who may apply.—Carried.’

—A. Yes.

Q. That is a decision that there is room there for another retail dealer ?—A. Yes.

Q. Then their point is whether Olson was fit to be a retail dealer ?—A. Yes.

Q. And you were deputed to do this ?—A. I did it by correspondence.

Q. No, this was previous to this, the correspondence was in the summer of 1906, and this was in February, 1907.

By the Chairman :

Q. Was not this since you left the association ?—A. Oh, no, that was last year.

By Mr. Fowler :

It cannot be.

By Mr. Sloan :

Q. That is the day the minute would be endorsed 'approved' by the president ?

By Mr. Fowler :

Q. You are right, Mr. Cockburn, it is a minute of the 10th of July, 1906. The reason you kept Olson out was not because there was not room for another yard, but because—A. Because he was not a desirable member as stated by these people.

Q. Because he was not desirable ?—A. He was not.

By Mr. Sloan :

Q. I have a copy of a telegram dated at Dundurn, Sask., on May 30, 1906 :

EXHIBIT No. 155.

'ISAAC COCKBURN,

'Winnipeg, Man.

'Should East Kootenay Lumber Co. be on latest list harmonious mills or not. H. E. Meilicke.'

Can you explain that telegram to the committee ?

The CHAIRMAN.—Were you present yesterday when Mr. Cockburn filed a list of mills or manufacturers who are in harmony with the association ?

By Mr. Sloan :

Q. I was not, but I should like to know why they asked you for that information ? —A. Well, perhaps he did not observe, there was a case where he wrote to me, or telegraphed, I would not be sure, but he had not noticed the name, the name was there, but he just happened to overlook it. He wrote in reference to it subsequently.

Q. If the name had not been on that list what would have happened, what would be the consequence to the East Kootenay Lumber Company if its name was not on the list of harmonious mills as far as Meilicke was concerned ? Would he cease to buy lumber from them ?—A. Yes, I think so, he would not buy lumber from them.

Q. That was the intention of this wire, that unless the East Kootenay Lumber Company were noted as a harmonious mill Meilicke would not buy from them ?—A. He would have no order for them.

Q. He would practically boycott them as far as his business was concerned ?—A. Well, he would not boycott them, I suppose it was his privilege whether he gave them an order or not.

Q. Was that the intention ? What would he pay 25 cents for a telegram for if it was not for that purpose ?—A. I think that if he got an answer, 'No,' that they were not on the friendly list, they would not have received an order from him.

Q. In other words he would have boycotted the East Kootenay Lumber Company —I am using plain language ?—A. I do not use that language, it is you have used it.

Q. I am using it. I do not know what you would call it, I would call it boycott.

By Mr. Lancaster :

Q. Perhaps Mr. Cockburn would use the word 'Blacklist' ?—A. I would not even use that, I would not hurt that man's feelings a bit.

By Mr. Sloan :

Q. In mining communities we have the term 'black leg,' you would not call him a black leg ?—A. No.

By Mr. Lancaster :

Q. When one of our musicians is not in tune with the rest we usually say he is out of harmony ?—A. I have used the word—

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By Mr. Fowler :

Q. I would like to ask a question or two : What will you do if one of your own retail men does get out of tune, what do you do to him ? Do you put him out of the association or discipline him in some way ?—A. We are not in a big hurry about doing anything, but we look around and see.

Q. But after looking around, after deliberating and taking time for consideration what do you do then ?—A. Well, I have not been doing anything.

Q. Not doing anything at all ?—A. Not for some time.

Q. How long were you secretary ?—A. For about eleven years.

Q. During those eleven years did you have any persons who were refractory, who did not live up to the rules and by-laws of your association ?—A. Yes.

Q. Did you do anything towards disciplining them ?—A. In the early days we did a good deal.

Q. What did you do ?—A. We imposed a fine upon them.

Q. Yes, well now, in the early days, these were the prehistoric days ?—A. Yes, in 1894.

Q. Come down to a time within the memory of man, say from 1901 down ?—A. Yes.

Q. What did you do then ?—A. For some years until we got them pretty well disciplined and going well we used the penalty on them.

Q. Till you had them trained ?—A. Yes, we had to get them to understand it meant something.

Q. You had to give them to understand that they must keep in line and obey the rules of the association. That is what the rules were for, to be obeyed ?—A. Yes.

Q. Supposing from 1901 down, did anybody get outside the rules, did they break the rules ?—A. From 1901 ?

Q. Yes ?—A. Oh, yes.

Q. What did you do with these people ?—A. Well, if they did not obey when fined, I do not think we had any case—there may have been one or two who did not.

Q. You did impose a fine from 1901 down ?—A. Yes, for perhaps three years, if not more.

By the Chairman :

Q. That would be up to three years ago ?—A. Yes.

By Mr. Fowler :

Q. Up to 1904 you imposed fines ?—A. Yes.

Q. Since 1904 what have you done, since that ?—A. Well, we have not been doing much. When lumber is going well there is not much to do.

Q. Were there any offences from 1904 down ?—A. Well, if there were there was no penalizing.

Q. There was some, previous to that ?—A. When business is good they obey pretty well.

Q. It is only when it is not good they begin the cut-throat business ?—A. That is about the size of it.

Q. Is this a fair statement, then, that when the lumber business is brisk, that is when the demand for lumber was brisk, there was no breaking of the rules with regard to underselling ?—A. I do not think so, not much, very little ; there were some complaints but they were not very bad.

Q. But when the demand for lumber was slack there was cutting of prices on the part of the retailers ?—A. It would have that tendency, yes.

Q. Well, that was the fact, was it not ?—A. There were cases, yes.

Q. At that time ; that is a fair statement ?—A. Yes.

By the Chairman :

Q. One of the witnesses, Mr. Cockburn—perhaps more than one, I do not remember—said one of the advantages the members of this association enjoyed was in the shape of insurance ?—A. Yes.

Q. Would you tell us how that company was organized ?—A. It is a company chartered by the provincial government.

Q. Under letters patent ?—A. Under letters patent.

Q. So they have complied with all the requirements of the law, have they ?—A. Oh, yes.

Q. It is a provincial organization ?—A. Yes.

By Mr. Fowler :

Q. Belonging to Manitoba ?—A. Oh, yes, we pay a license every year.

By the Chairman :

Q. How long has that insurance company been in existence ?—A. It has had its second annual meeting.

By Mr. Fowler :

Q. The advantage of that is it increases your profit ?—A. I beg your pardon.

Q. It increases your profit as retail dealers ?—A. The advantage is the insurance does not cost them so much.

Q. Does that not increase your profit ? You get your insurance cheaper, does it not increase your profit by that much ?—A. They don't pay out as much money that way as they used to do with the old line companies.

By the Chairman :

Q. Some one told us they saved 75 per cent on the premiums ?—A. Yes.

By Mr. Fowler :

Q. If your expenditure for insurance was less would not your profit be greater ?—A. If you want to apply it on profit.

Q. Is that not what it comes to in the end ?—A. It is a saving.

Q. Well, is it not profit if it is a saving ?—A. I would not like to say if you can apply it that way or not ?

Q. Let us work it out. Supposing your gross profit was so much ?—A. Yes.

Q. And supposing that in the ordinary way of insurance it costs you so much ?—A. Yes.

Q. By having this insurance among yourselves you reduce the cost of that insurance. Would not your profit be that much greater ?—A. I would not like to say for the reason that a great many of them were not insured at all.

By Mr. Lancaster :

Q. But so far as they were insured ?—A. If you put it on the way of profit it would be taking that much away and giving them a security for which they were paying and which they had not before.

By Mr. Fowler :

Q. But they were carrying insurance themselves before ?—A. Some of them did not. You see we limit the amount to \$3,000.

Q. Does not the thing work out that way ? If you save expenses you increase your net profit. There is no use in arguing it; it seems to be very apparent. Then

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would you say the result of your association was a restraint of trade?—A. Was a strength of trade?

Q. No restraint. Do you say the result of your association was a restraint of trade?—A. Well, I would not say that in a broad sense because there are people who are not members of the association.

Q. Would you say it was an effort along the line of restraint of trade?—A. No, I would not.

Q. Not even along the line of restraint of trade?—A. I would not.

By Mr. Lancaster :

Q. Was it not a partial restraint of trade?—A. I don't think it was restraint of trade. It was direction of trade.

Q. A direction in the line of restraining it from other people than the members of your association?—A. The dealers have the privilege of selling at any one point.

Q. Between man and man is it not in the line of restraint of trade, in that it restrains the people who go into it?

Mr. FOWLER.—Don't allow my insidious friend to coax you into saying something you don't want to say.

The WITNESS.—No, these are things I want to be careful about.

By Mr. Lancaster :

Q. Yes, exactly. Is it not so that it tends to restrain trade in that it reduces the number of people who can go into the business?—A. There are conditions that exist now that did not exist some two or three years ago.

Q. I don't care whether you are talking of years ago or now. Your association limits the number of people that can go into the lumber trade, does it not? It limits and controls the number of people who can go into the lumber trade—not absolutely but to a certain extent, does it not?—A. Well, it confines itself to its members and in doing that it considers the volume of business that has to be done.

Q. No matter what the volume of business is, the effect of your association is to limit the number of people that can go into the lumber trade?—A. It is a wide question because our own members say people can get lumber whenever they want it and that the usefulness of the association is a thing of the past.

Q. It has not gone as far as they would like it to go, that is what they mean. However, that is not what I am asking you about. I am not asking you as to the absolute extent to which it has gone, but so far as it does operate it limits the number of people that can go into the lumber trade. Will you say yes or no to that?—A. No, I would not.

Q. You would not say either yes or no with all your experience?—A. I would want to get more light.

By Mr. Fowler:

Q. Then you don't know whether it is in restraint of trade or not? Does the working out of your association tend to enhance the price of lumber?—A. To which?

Q. To enhance the price of lumber?—A. I don't think so. It is not the intention by any means.

Q. It is not the intention of the association to enhance the price?—A. No, it is the opposite.

Q. It is the opposite?—A. Yes.

Q. It is the intention of your association to reduce the price of lumber?—A. The intention of the association is to keep it right and fair.

Q. To keep it fair?—A. Yes.

Q. It is not the intention to enhance the price?—A. No, over a certain percentage.

By Mr. Lancaster:

Q. You understand what Mr. Fowler means by the word 'enhance?'—A. Yes I do.

Q. Do you understand to unduly increase?

By Mr. Fowler:

Q. I am not talking about 'unduly' at all. I am just asking you to say, Mr. Cockburn, whether in your opinion the working out of your association tends to enhance the price of lumber to the consumer?—A. No, I would not think so.

By Mr. Lancaster:

Q. Does it not tend to prevent any reduction of the price below a certain figure?—A. The effect, I think, is to keep the price at a normal amount over the cost.

Q. And not to enhance the price? Then would you say it does not have a tendency to reduce it below that figure?—A. No, it would not be the intention of reducing it below what you might say the prices were established at. These should be the ruling prices.

Q. Ruling at both ends of it?—A. Yes. How do you mean both ends?

Q. Not to be increased? There is a rule that the prices are to be fixed on—A. On a percentage, yes.

Q. And they are not to sell less than that percentage?—A. Well, there is nothing compelling them not to sell at less as far as the by-laws are concerned, but if they were selling at a less price and interfering with some other member's business he would complain of that there is no doubt.

Q. He would complain of that with the expectation of having his complaint, not unreasonably, dealt with and enforced?—A. Yes.

Q. That is then in the end that the other man would be prevented from cutting prices?—A. Yes, the prices are fixed at whatever were the rates and freight for a group of points, that is done by the members themselves.

Q. Then it is right to say, is it not, that one effect of the association is simply to prevent the reduction of prices below a certain figure?—A. Well, it would work both ways.

By Mr. Fowler:

Q. It would prevent the prices going too high?—A. We strive to, yes.

Q. You strive to prevent the prices going too high and also to prevent them going too low, that is your contention?—A. Well, according to the fixed prices, those prices are comparatively a matter of adjustment.

By Mr. Lancaster:

Q. You have said that if a man sold at less than that he would expect to be disciplined?—A. I do not know whether he would be disciplined, but it would be good grounds for the member affected to complain, we do not always discipline.

By Mr. Fowler:

Q. Is this a fair statement that your association strives to prevent prices going above a certain figure?—A. Yes.

Q. And it strives to prevent it going below a certain figure?—A. It strives to maintain the fixed prices.

Q. Why cannot you say at once what it is. You say it strives to prevent the prices going above a certain figure, does it not strive to prevent it going below that certain figure?—A. Yes, but you do not want the explanation.

Q. Yes, I do; now I am going to give you an opportunity to make your explanation. You are taking a wrong view of what I am after. I am going to give you an opportunity of showing that you are perfectly right, if you can show it. We have come

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to that point that your association strives to prevent the prices going above a certain figure and they strive to prevent the prices going below a certain figure; then the object of your association is to make the price normal, and right and fair? Is that right?—A. Yes.

Q. Very well, then, you see there is nothing very harmful in what I was asking you about?—A. It all depends upon a person's point of view.

Q. You say that the association strives to keep the price at what is right and fair. I want to know what you consider a fair profit for the retailer over the wholesale price, that is over what he pays to the manufacturer?—A. We have fixed it at 20 per cent.

Q. That is 20 per cent gross?—A. Yes.

Q. That is the price that is maintained?—A. So far as I have had any knowledge, that was taken as the basis.

Q. That is the basis?—A. Yes, with some exceptions, and I took exception to those exceptions.

Q. You thought that should be the absolute basis?—A. I thought they should confine themselves to that.

Q. That is to the 20 per cent basis?—A. Yes.

Q. You think that is a fair profit?—A. It is argued by a great many that it is not, because they say it costs 10 per cent to handle the business and they think that 10 per cent margin is not sufficient.

Q. The 10 per cent does not mean on the capital in the business, but that is on the overturn in the business?—A. Yes, exactly.

Q. For instance, supposing you have an overturn during the year, a business of \$50,000?—A. Yes.

Q. You will only have employed perhaps \$10,000 in capital?—A. Yes.

Q. You would handle a \$50,000 business on \$10,000 capital? And what you mean is that the dealer should have 20 per cent on his turnover, that is what you mean?—A. Just explain that.

Q. Supposing that our worthy chairman goes into the retail lumber business with a capital of \$10,000?—A. Yes.

Q. And he handles \$100,000 worth of lumber during the year, you say he should have 20 per cent gross profit on the turnover during the year?—A. Yes.

Q. That would be \$20,000 gross profit?—A. Yes.

Q. And of that you say that one-half goes for expenses? That will leave him \$10,000 profit on his turnover?—A. Yes.

Q. He has \$10,000 profit then on his \$10,000 capital?—A. Yes.

Q. That gives him 100 per cent profit on his capital?—A. Well, it might be on his capital, but he might have some indebtedness in his transactions, with a large business he would be very likely to meet losses. I do not think that \$10,000 capital would begin to do a business of that volume.

By the Chairman:

Q. Mr. Fowler is only using that as an illustration?—A. Yes.

By Mr. Fowler:

Q. What you mean is 20 per cent on the turnover?—A. Yes.

By Mr. Lancaster:

Q. What do you mean by 'turnover,' on the amount you pay to the mill owners?—A. Yes.

By Mr. Sloan:

Q. And the freight, you mean what you pay for the lumber and freight?—A. Certainly, they have to carry a stock you know.

By Mr. Lancaster:

Q. You mean what he pays on his stuff, what it costs him laid down in his yard?
—A. Yes.

Q. And that you say is fair?—A. Of course the great majority of people running country yards do not do as large a business as that; some of them are doing a very small business.

By Mr. Fowler:

Q. Take 60 cars of lumber, ordinarily I presume that would be about a million and a half feet, and the average cost of that million and a half feet of lumber laid down in the yard, we will say at Winnipeg, will be about \$25 per thousand?—A. That I do not know, it will cost just the same at Winnipeg as to the other points.

By Mr. Sloan:

Q. That will be \$650 for each car.

By Mr. Fowler:

Q. Of course, if a man only sold 60 cars he would not be using all his time in that business, he could do something else?—A. A great many of them do not sell that much, if there are sixty cars sold there will be two yards.

Q. Are not a great many of the lumber dealers engaged in other businesses?—A. I do not know, some of them are not, some of them are not anxious to do more, they have not the capital to do it.

Q. In the ordinary business in the west, do the ordinary men make 20 per cent gross profit?—A. Yes, I believe they do.

By Mr. Sloan:

Q. Is there a recognized discount for contractors under your price list?—A. That is according to the prices that the different groups fix.

Q. There is nothing in your regulations at all?—A. No, the association does not take any part in it.

By Mr. Fowler:

Q. You say this association has not unduly enhanced the price of lumber?—A. That is against the intention of the association to do anything of the kind and the cause I have explained yesterday.

By the Chairman:

Q. One of the effects of your condition, that you have repeated over and over again, we have heard some other witnesses in reference to having one man at a point
—A. Yes.

Q. Do you not think the tendency would be to keep the price up at that particular place if the man has the whole trade to himself?—A. The by-laws give the privilege to any member of selling to that point.

Q. Has he the privilege of selling to that point?—A. Yes, but not for storage.

Q. That is not the evidence we have. —A. Yes, that is that one dealer at one point has the privilege to sell just the same as another member at another point.

Q. If he goes to a point and holds it he can ship a car of lumber to another point?
—A. Yes, he can ship a car in there, but he must have regard to the prices at that point to which he ships.

Q. At a point where a business is—at a central point it is good business to do 60 cars of lumber?—A. Yes.

Q. If a man had a business of sixty cars, would not that mean having control of that trade and trying to get all he could out of his lumber?—A. If there were 60 cars sold there I would expect there would be two members there doing that work.

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Q.If there were 60 cars now, I presume with these large cars there would, but the time was when there would not be two?—A. There is no hard and fast rule as to that. If there is the volume of business it is done.

By Mr. Fowler:

Q. What do you say as to the general price of lumber to the consumer in Manitoba. You know more about Manitoba perhaps than anyone else, what do you say as to the general price in Manitoba, is it too high having consideration to all the circumstances?—A. I think generally speaking, that the members in Manitoba stay pretty On the basis of 20 per cent?

Q. No, no, I am just saying to you, having regard to all the circumstances connected with the lumber trade, taking the lumber from the time it leaves the limit until it is sold to the consumer, is the price to the consumer too high in your opinion?—A. On the basis of 20 per cent.

Q. Oh, heavens; I am not talking about 20 per cent. From the time the logger goes into the woods to cut down the logs, do you see?—A. Yes.

Q. Bringing to the mill, shipping to the retail dealer on the prairies—having regard to all the circumstances—A. Yes, I answered that thing.

Q. Is the price to the consumer too high in your opinion?—A. I would not be an authority on that.

Q. Have you been in the lumber business?—A. I have been in the lumber business all my life.

Q. Then you ought to be an authority if anybody should?—A. If I were there to know the conditions that exist.

Q. You don't know anything about it?—A. It costs more to lumber in one place than in another.

Q. I will give you the reason why I am asking this question. This committee has been appointed in consequence of certain complaints that have been made by consumers that the price of lumber to them is too high?—A. Yes.

Q. You are brought here as an expert in connection with this matter. You were for many years secretary of the Retail Lumbermen's Association and you have been in the lumber business yourself. What I want to ascertain is whether, in your opinion, that complaint is well founded; whether the price of lumber to-day in the province of Manitoba, having regard to all the conditions as they exist to-day from the time the lumber leaves the stump until it comes to the consumer, is too high.

No answer.

Q. It is only a matter of opinion you are giving. In your opinion is it too high?—A. I would just like to tell you what my answer to that is, but you don't want me to tell you anything, but just yes or no.

Q. I want you to tell me anything you have in your mind?—A. I will be most happy to then.

Q. Tell us anything you have in your mind?—A. Yes, lumbering in the province of Manitoba is not so very expensive as it is in some other places. Perhaps it is a little more expensive than I have been accustomed to in Ontario. I have been accustomed to having something to do with the lumber in Manitoba also, going over a few years. There is a good margin, I think, in the wholesale price it is sold at.

Q. Having said that much, can you say whether or not, in your opinion, the price is too high to the consumer?—A. No, sir. The people who go into manufacturing lumber go to make money out of it.

Q. I realize all that.—A. Yes.

Q. But is the price too high to the consumer? Surely you can say yes or no to that? In your opinion is it too high? Surely you have an opinion about it?—A. Well, I have an opinion that the value of a thing is just what it commands in the market. It is a question of supply and demand.

Q. No matter what circumstances tend to give it an unusual value or price in the

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market. For instance, if hay was scarce and selling at \$10 a ton, would you say that was all right?—A. Yes, he would be a lucky man to have a good deal of it.

Q. Because it is scarce. That would be your idea?—A. Yes.

Q. Then you simply say because the consumer has to pay so much for it the price must be right. Is that your argument?—A. Yes, my argument is that there are ups and downs in the value of things.

Q. I am not talking about ups and down, but about the value of lumber in Manitoba to the consumer?—A. Yes, I know.

Q. Having regard to all the circumstances, is the price of lumber too high to the consumer in the province of Manitoba?

No answer.

Q. I don't see any reason why you could not say yes or no to that, it is not a catch question?—A. It is not a very nice thing for me to answer.

Q. Not nice?—A. No, it is not.

Q. In what way is it not nice?—A. Because I have my own views about it whether the prices are too high or too low.

Q. I want to get your view, but you won't give it?—A. I might give you my view as an interested party.

Q. I don't care?—A. I would want as an interested party to get as much out of the lumber as I could get.

Q. Tell us whether, in your opinion, the price is too high or not? Surely you can tell us that, and we will weigh what you say, having regard to your interests?

Mr. SLOAN.—And we will give it consideration accordingly.

Q. But I want to get the answer? Do you think it is too high, or that it is right, or do you think it is too low? Now there you are, you have three choices

Mr. SLOAN.—You might give him a fourth, and ask him if he thinks it is high enough.

Mr. FOWLER.—If he says it is low it will cover that.

The WITNESS.—I think there are some cases in which he will just make a little too much money out of it.

Q. I am speaking of the average and not of individual cases. Do you think the average price of lumber in Manitoba is to-day too high for the consumer?

The CHAIRMAN.—That means, Mr. Cockburn, common lumber, common pine, which according to your price list was \$32 a thousand.

Mr. FOWLER.—I think Mr. Cockburn understands my question. I understand Mr. Cockburn's hesitancy, he doesn't want to hurt anybody's feelings?

A. I beg your pardon?

Q. You don't want to hurt anybody's feelings?—A. I am not so particular about that sometimes, but I don't want to be rash.

Q. Not at all, just give me your opinion?—A. You see these are questions that I did not expect to be asked upon?

Q. I know, but you have said that you have a view of your own, and I would like you to give it to us. This is a thing we are charged to find out, and we want to get the views of the men who are interested. We will take all the views we can and try to arrive at a decision from them. Now what is your view in respect to it, so that we can have the benefit of your opinion?—A. Well, I would not speak of the province of British Columbia, because I don't know anything about it.

Q. I confined you to the province of Manitoba, where you live. Do you say that the price of lumber in Manitoba is too high?—A. I have told some of the manufacturers that.

Q. You told them that you think it is too high?—A. I did.

Q. That you think the price of lumber is too high—very good—then I want to ask you another question. Now, the lumber is handled by the manufacturer and by the retailer. If the price is too high either the retailer or the manufacturer must be getting too much money?

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The CHAIRMAN.—Or the railway company?

Q. Or the railway company, I thank you for the suggestion. The manufacturer, the railway company or the retail dealer, either one of these three, must be getting too much money. Which is it in your opinion? You have in mind already which it is, because you have informed us that you told the manufacturers the prices are too high?—A. I have not any knowledge of whether the railway people are getting too much—but it means—

Q. A very great difference in the price?—A. It adds to the price very materially

Q. The freight rate is \$6 a thousand?

The CHAIRMAN.—Twelve dollars.

Mr. FOWLER.—In Winnipeg?

The CHAIRMAN.—Yes, from British Columbia.

Mr. FOWLER.—Mountain lumber?

The CHAIRMAN.—Yes, a forty cent rate.

Mr. SLOAN.—That would be \$10 anyway.

The CHAIRMAN.—Twelve dollars one man told us.

The WITNESS.—I dealt pretty fully with it in one of my addresses to the members.

By Mr. Fowler:

Q. Just deal with it now from one of your addresses, and say which one of these is getting too much money. Do you think the manufacturer gets too much money for his product?

The CHAIRMAN.—He said he told them that they did.

Q. When you told the manufacturer that in your opinion he was getting too much for his product did you tell him what you really believed?—A. I told him I thought the price was pretty high. I am not sure, but I wrote to him; it was only an opinion.

Q. Were you honest in that opinion?—A. I would not write if I was not honest in it.

Q. Then in your opinion the manufacturer is getting too much? Now as to the railway?—A. I do not say that the manufacturers all get the same price.

Q. As an average, but as to the railway, you do not know about that?—A. The fault I find with the railway is that they do not charge the same mileage throughout.

Q. What do you say as to the retailer, do you say he is getting too much?—A. I think if they adhere to these prices they do not get too much.

Q. Your contention is that the manufacturer is largely to blame?—A. I think that some of the retail dealers have taken advantage of the times.

The committee adjourned.

TUESDAY, April 16, 1907.

The committee met at 3, p.m., Mr. Greenway, chairman, presiding .

Mr. D. E. SPRAGUE SWORN.

By Mr. Knowles:

Q. What is your name in full?—A. D. E. Sprague.

Q. Are you an officer of any of the organizations that have been referred to here or are you present as a lumber dealer?—A. I am president of the Retail Lumber Dealers' Association.

Q. How long have you held that office?—A. One year.

Q. Since when?—A. Since the beginning of 1906. I was elected again in 1907.

Q. This is your second year?—A. My second year, yes.

Q. Had you any office before that?—A. I was vice-president before that.

Q. How long were you vice-president, one year?—A. One or two years, I am not sure which.

Q. That would be in 1905. How long have you been a member of the organization?—A. Oh, probably 12 or 14 years.

Q. Were you a director?—A. I have been a director for some years.

Q. For 5 or 6 or 7 years?—A. Yes, I should think so.

Q. You were elected a director for 5 or 6 years?—A. Yes.

Q. Prior to your being vice-president?—A. Yes, prior to that.

Q. How long have you been in Winnipeg?—A. Thirty-three years.

Q. How long have you been in the lumber business?—A. That would be my present business after 1882?

Q. What is the nature of that business?—A. Manufacturing and retailing lumber.

Q. Where have you been manufacturing?—A. Winnipeg.

Q. Only?—A. Only, yes.

Q. You have just one mill there?—A. One mill.

Q. How long has your present mill been built?—A. It was built in 1882.

Q. I suppose it has been enlarged from time to time?—A. Well, it has been improved in machinery, yes.

Q. What is the capacity of the mill that you have in Winnipeg now?—A. About 60,000 feet in ten hours—50,000 to 60,000 feet.

Q. How long would you run in the year?—A. That depends entirely on circumstances. Some years only two or three months, some five or six months.

Q. What would you say on the average, four or five months?—A. Well, about four months, probably.

Q. How many men do you employ?—A. Around the mill?

Q. Yes, in connection with the manufacturing, around the mill?—A. Probably 50 or 60 men.

Q. Have you any idea what your average cut in that mill would be annually?—A. It runs—some years they cut 3,000,000 feet, and some 6,000,000 feet.

Q. What was your cut in 1906?—A. In 1906 we cut about 6,000,000 feet.

Q. And in 1905, the calendar year before last?—A. I don't remember how much we cut then; I think about 5,000,000.

Q. You cut a little more in 1906 than in 1905? When you say that do you include slabs?—A. I mean the lumber that we cut.

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Q. Excuse me if I display some ignorance; I do not understand lumber expressions. That would include slabs?—A. Yes.

Q. It would not mean what was sold for boards?—A. Do you mean what was manufactured into boards, or timber or merchantable stuff?

Q. Lumber that you cut with the saw? Does it mean merchantable lumber?—A. Merchantable lumber.

Q. Apart from what you sold to people around town in the shape of wood?—A. Apart from that.

Q. Do you manufacture much of that lumber?—A. No, there is nothing except slabs which are used for firewood.

Q. Would that be many feet in the year?—A. It is not reckoned in that way. It is cords of wood or trimmings.

Q. How many cords a year would there be, roughly speaking?—A. I suppose two or three thousand cords.

Q. About 2,500 cords of what we call slabs, is it?—A. Slabs, yes; slabs and edgings.

Q. How many million feet of lumber, of the merchantable article, would that represent, during the last two years? Would that average five or six million feet?—A. Yes.

Q. How many million feet of what you would call bush lumber, or what you would call logs, would that represent?—A. It would not represent anything. In scaling logs that is all allowed for and more probably.

Q. I do not understand you?—A. The way you scale logs, there is an allowance made for the slabs and for the sawdust.

Q. When you say you have merchantable product of five or six million feet, that is your product from the bush?—A. The product from the bush, the logs scaled would not be as much as that.

Q. There is too much allowance made?—A. Yes, it depends a good deal upon how they are cut. If they are carefully sawn there would be more lumber than the logs scaled would amount to.

Q. Yes, but the allowance that is made would make the thing easily and rightly adjust, would it not?—A. Yes, nearly so, but they always figure on about ten per cent at least, of an overrun over log scale.

Q. There is that much?—A. There should be that much, yes.

Q. You mean that in the conducting of your business, you do it so that there has been that much?—A. I think that really there would be.

Q. Then this five or six million feet would represent the measurement of the logs you took out, would it?—A. No, the measurement of those logs would be probably four millions and a half. It would be a little less than that, but the logs should cut five million feet.

Q. What do you call that, log measurement?—A. Log measurement, yes.

Q. Four and a half million feet of log measurement equals fully five million sawn?—A. I should think so, if it is properly manufactured.

Q. Where do you get your lumber from?—A. The logs?

Q. Yes, the logs?—A. I get some of them from the Rainy River, Ontario.

Q. Yes?—A. And some of them from the Roseau River.

Q. Where is that?—A. In southeastern Manitoba.

By Mr. Lancaster:

Q. What was the last river you mentioned?—A. The Roseau river?

By Mr. Knowles:

Q. R-o-s-e-a-u?—A. Yes.

Q. Is that all your resources?—A. I have bought some logs from the American side, from the United States. Those are the only places I get them from.

Q. What you bought from the United States was from limits you owned?—A. No, I bought the logs.

Q. Can you tell us what you bought in the United States in 1906?—A. In 1906 I did not buy any.

Q. The cut you had at your mill in 1906 came absolutely from Canadian sources?—A. Yes.

Q. Can you tell us what quantity of logs in 1905 came from an American source?—A. I have only had logs from an American source for a few years, occasional years, and sometimes quite a period elapsed. It is not a permanent source.

Q. You have not had any from the United States in any of these years you spoke of?—A. No.

Q. In 1905 or 1906?—A. No.

Q. The figures you gave us referred to absolutely Canadian logs?—A. Yes.

Q. In 1906 how much came from the Rainy river and how much from the Roseau river, how much proportionately in each case?—A. Well, I think there was very nearly half.

Q. About one-half?—A. From each place.

Q. What would you say as to 1905, the same proportion?—A. 1905? No, I think there was more from the Roseau river in 1905.

Q. What proportion? Give us as nearly as you can your opinion?—A. No, I think as far as quantity is concerned they may be about equal. Of course, I am not at all positive, because I have not got the figures in reference to them.

Q. You conduct your own business, though?—A. I manage it, yes, but I could not be positive as to quantity.

Q. How is your business conducted, a company?—A. D. E. Sprague.

Q. Just your name?—A. Yes.

Q. You have no partners?—A. No.

Q. So you are of the opinion that practically during the last few years you have taken half your logs from the Rainy River limits and half from the Roseau River?—A. The last two years.

Q. The Roseau limits are in Manitoba, are they?—A. Yes, in southern Manitoba.

Q. To whom do these limits belong in each case?—A. The Roseau River limits always belonged to me.

Q. I understand that. From whom did they come?—A. From the Dominion government.

Q. How about the Rainy River limit?—A. The Rainy River limits are Ontario government timber. That I bought from the owners prior to me, who were Irwin and Shepherd and some others.

Q. How long have you held the Rainy River limits? Oh, very roughly speaking—over ten years?—A. No, about six or seven years, I should think about six or seven.

By Mr. Lancaster:

Q. You say you leased the Rainy River limits from the Ontario government?—A. I bought them. The limits I am operating there on the Rainy river are one of the oldest limits granted by the Ontario government in that district.

By Mr. Knowles:

Q. You own them now?—A. Yes.

Q. And you own also the Roseau river?—A. Yes.

By Mr. Lancaster:

Q. You got them from the Dominion government?—A. Yes.

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By Mr. Knowles:

Q. What dues do you pay the Ontario government for the Rainy River limits?—
A. \$1 a thousand.

Q. And what do you pay for the one in Manitoba?—A. Fifty cents.

Q. You would cut in the Ontario limits in the year 1905, probably two and a quarter million feet?—A. Yes.

Q. And you would cut in Manitoba in 1905 probably two and a quarter million feet?—A. Yes, about that.

Q. You said about four million and a half for the year, and the following year what was your cut, about the same proportion?—A. Yes, a little more.

Q. A little more?—A. Yes.

Q. And that was the extent, or the amount of the logs upon which you paid your dues?—A. Yes.

Q. Can you tell us what were the returns given to these different governments for the different periods?—A. I do not know exactly what the returns to the Ontario government were. These logs were scaled in the bush by the government scaler and the returns were made in that way. The other logs, from Manitoba, that I cut into lumber were returned after cutting.

Q. In each case were the logs scaled by the province?—A. In the case of the Ontario logs they were under government supervision.

Q. The logs were scaled by a provincial representative?—A. Yes, a licensed scaler; he must be a provincial government scaler, he must have a license, and he makes his returns under the supervision of an officer in charge.

Q. How does he keep check upon the amount of logs you take out?—A. He goes to the camp.

Q. Is there any burden or obligation on whoever is doing business, such as you are, to keep him informed as to what you are doing?—A. Oh, yes, we keep the scaler in the camp all the time.

Q. To a certain extent is it left to the honesty, or is an affidavit made in any way by the limit owner?—A. Affidavits are made, there is a man whose duty it is to look after the scaling.

Q. In Manitoba you say payment is on the sawn lumber?—A. Yes.

Q. How is that kept check on?—A. We just measure the lumber as it is sawn and return it to the government.

Q. Is there a representative of the Dominion government there to check it?—A. No, the owner makes an affidavit.

Q. In that case an affidavit by the owner is taken?—A. Yes, an affidavit by the owner.

Q. Is there any representative of the Dominion government there at all?—A. No.

Q. There is absolutely none?—A. Well, we have never had any.

Q. You know the custom, I suppose, better than I do?—A. There is none that I am aware of.

Q. You have sawn the products of both limits in Manitoba, at Winnipeg?—A. Yes.

Q. What is the system the governments have for separating the lumber and adjusting the different fees?—A. There are two different kinds of lumber, and they are sawn at different times. Of course so far as the Ontario timber is concerned it does not make any difference about that, they are scaled in the bush and the dues are paid on the logs.

Q. And the Ontario government have no further interest in them, I understand that?—A. No, after the other timber is all sawn, it is all sawn by itself, it is not mixed at all before sawing—the Rainy lake logs come in on the cars and are kept separate and are sawn separately; say probably a week or ten days we are working on one lot of logs, and the lumber sawn from the Manitoba timber limits is measured as it goes through the mill.

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Q. Are they two different kinds of wood?—A. Two different kinds of wood.

Q. Are they always kept in different piles in the yard?—A. Well, largely so, they are kept separately as well as we can.

Q. Sometimes there will be a part of each kind in the same pile?—A. They may be piled in the same pile, although if they are the Manitoba lumber is measured first.

Q. Might it not be the same kind of wood from both limits?—A. Yes, the spruce and pine might come together as far as the sale to the retailer is concerned.

Q. Can you remember what you returned to the Dominion government in 1905?—A. No, I cannot.

Q. Will you say now that there was as much as two and a quarter million feet returned?—A. I do not think it was that much.

Q. What makes you think it was not as much as that?—A. I do not think the return would reach as much as two and a quarter million feet on our log scale in any season.

Q. But do I understand that when you come to measure it in the yard, although it is measured after being sawn, you still return to the log scaling?—A. The lumber that is sawn from logs that we get from the Rainy Lake limits has not anything to do with the measurements as they are sawn.

Q. We have settled with the Ontario government logs, what we are dealing with now is the lumber from the Roseau River limits. You say you measure all that lumber after it is sawn?—A. Yes.

Q. You pay them on what you saw?—A. Yes.

Q. You say you sawed, in 1906, 6,000,000 feet of lumber?—A. Yes.

Q. And that one-half of that was from Manitoba province, that would make 3,000,000 feet that you are paying dues on?—A. That is approximately.

Q. Approximately, certainly. You conduct your own business, do you not?—A. Yes, I conduct the business.

Q. Can you tell us whether you reported that much to the Dominion government in 1906 or not?—A. We pay dues to the Dominion government upon the lumber as we sell it.

Q. You pay dues as you sell the lumber?—A. Yes, as we sell it.

Q. When did you make your return?—A. We are supposed to make our return every three months.

Q. Even if it is not sold, do you return the lumber?—A. We report it as being on hand, of course, we do not pay dues on it.

Q. Have you reported as much as three million feet in 1906?—A. I think so, if we cut that much we would report it. Whatever we cut we reported. I do not know positively how much it was.

Q. You would remember how much you had cut in a case where you cut that much?—A. I do not personally attend to it at all.

Q. Who makes the affidavit?—A. I make the affidavit.

Q. From what source do you obtain your information?—A. The return is made up in the office for me, of course. I believe that it is correct.

Q. And that is honestly done; you are interested in that?—A. Yes.

Q. You are giving all your attention to the practical conduct of the business?—A. A large portion of it, yes.

Q. What other business have you to carry on?—A. I do not have any other business.

Q. You give all your time, as a business man, to that, that is your business occupation, isn't it?—A. Yes, that is my business occupation.

Q. You cannot tell us with any more definiteness than you have as to the amount you returned to the Dominion government in 1906?—A. No, honestly I can't.

Q. It might have been four million feet?—A. I do not think it was. It certainly would not be any more than what we cut. Whatever the scale of the lumber that we cut, that would be the return.

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Q. It seems strange to me that that which is a summing up of your whole year's business has passed out of your mind?—A. I cannot follow it out.

Q. Do you think it will be less than three million feet?—A. If we cut out two and a half million feet—

Q. Excuse me, you have come down to two and a half million feet, you will have to explain why you come down to that. You said that you cut six millions, and, that you cut one-half of that from the Manitoba limits, in fact, in the first place you were on the point of saying that the cut from the southern Manitoba limit was a little more than one-half?—A. Yes, that was in 1905, not 1906.

Q. I quite accept your statement that they were practically the same?—A. Yes.

Q. You still say that?—A. Yes, I think that is correct.

Q. The summing up of all your year's business which is involved in that return has passed out of your mind in regard to the amount you cut from the Manitoba limit?—A. Yes, I could not say definitely at all.

Q. Would it be over two millions?—A. I think so, it might be two millions or it might be more; it is simply impossible for me to remember what those figures were.

Q. You cannot remember to the extent of 33½ per cent, the difference between one million and two million, what those figures were?—A. I certainly cannot do so.

By Mr. Lancaster:

Q. Do you make an affidavit more than once in the year?—A. Yes, every time we make a return there is an affidavit, there will be four in the year anyway.

By Mr. Knowles:

Q. Do you make any return oftener than quarterly?—A. No.

Q. There is no doubt about that, not more than four in a year?—A. Yes, of course these figures may be got at, I can give the committee the exact figures if it is any object.

Q. Have you them there?—A. No, I haven't them here they are at home.

Q. Have you any figures regarding your own business with you?—A. No.

By Mr. Lancaster:

Q. If you cut that amount into sawn lumber in 1906 you must have more than that many logs, must you not?—A. No.

Q. Would between two and three million feet of logs make six million feet of lumber?—A. Oh, no, I would say that we would probably have four and a half million feet of logs.

Q. This is what you are speaking of as in the one source?—A. The one source.

By the Chairman:

Q. What kind of timber do you get from southeastern Manitoba?—A. Tamarac, spruce and some poplar.

Q. You have no pine?—A. No pine.

By Mr. Lancaster:

Q. You cannot tell us how much of the six million feet came from Rainy river?—A. No, I cannot with any definiteness at all.

By Mr. Knowles:

Q. What do you do with the refuse from your mill?—A. Sell it.

Q. Do you use some of it yourself?—A. Yes, some of it.

Q. What do you burn in your mill, sawdust?—A. Sawdust, yes.

Q. Is that sufficient to keep it going?—A. Very nearly. We have to burn a few slabs.

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Q. Roughly speaking you turn out, you told me, 2,500 cords of slabs?—A. I should think so.

Q. At what time of the year is there a market for that wood?—A. In the summer usually.

Q. What did you sell them for in the summer of 1905?—A. Well, in 1905, I think we sold those slabs—I would not be positive—but I think for \$2.75 or \$3 a cord delivered.

Q. In 1905?—A. I think so.

Q. What did you sell them for in 1906?—A. In 1906 I sold some of them at the same price, and a large quantity of them I think at \$3. That is at the pile, not delivered.

By Mr. Herron:

Q. How do you measure those slabs?—A. The same as you would cordwood.

By Mr. Knowles:

Q. What did you sell them for last December?—A. We sold them at a higher price than we have ever been able to get for them, \$3 I think it was.

Q. How high in January?—A. We sold them all in December or January.

Q. Did you never sell them above \$3?—A. I don't remember whether we did or not.

Q. Did you not expect that you would be asked questions with regard to the product of your mill, when the committee went to the expense of bringing you down here?—A. I did not know what questions the committee would ask me.

Q. And you had not familiarized yourself with regard to the prices of the products of your mill either?—A. Yes.

Q. Who decides what to sell the slabs at?—A. There is not much to decide about it. We generally have been in the habit of selling our slabs at \$1.50 per cord. The whole cut I have sold for years to Ogilvie's at that price.

Q. When did you cease selling them at that price?—A. I cannot remember. Of course the slabs are a very unimportant commodity with us. We don't get very much for them.

By Mr. Herron:

Q. How many slabs does it take to make a cord of wood, speaking roughly?—A. I do not know.

Q. Sawn into cordwood?—A. They are measured in that way at 128 feet. I could not tell you how many slabs it would take because it depends entirely upon the size of them.

By Mr. Knowles:

Q. Did you ever sell slabs in your mill above \$3 a cord this winter?—A. We may have, I don't know Mr. Knowles.

Q. You do not know?—A. No, I do not.

Q. Who decides what the slabs are to be sold at in your mill?—A. Well, the salesmen. We have two or three men who might decide the price of slabs.

Q. Without you knowing?—A. Yes, without my knowing.

Q. Without consulting you?—A. Yes.

Q. And as far as you know they were never sold above \$3 a cord?—A. We made a sale of slabs to the city and really I could not tell you what they were sold at.

Q. How much did you sell to the city?—A. I think it was four or five hundred cords.

Q. Now, to come to the point with regard to the association. I will ask you this question—other members of the committee can ask you what questions they like—do you belong to the Manufacturers' Association?—A. No.

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Q. Have you the only mill that is in Winnipeg?—A. Mine is the only mill in Winnipeg. The Rat Portage Lumber Company have a mill in St. Boniface.

Q. Is there any understanding between that mill and yours?—A. In what way?

Q. Any agreement with regard to the conducting of your business?—A. No.

Q. Or to the selling of lumber?—A. None, whatever.

Q. You have been raising the price of your lumber, I suppose?—A. Yes.

Q. The last year or so?—A. Yes.

By Mr. Lancaster :

Q. There is no agreement between your mills?—A. None, whatever.

By Mr. Knowles :

Q. When was your last rise in price?—A. I may say that I sell all my lumber at retail, the whole of it, what I manufacture myself, and in addition to that I buy a large quantity of lumber, and I sell it all at retail.

Q. You do not sell any to other yards in Manitoba?—A. I sell the lumber at the retail price and of course we have to raise it in sympathy with the rise in price of the wholesale product.

Q. So you are not a wholesaler at all?—A. No.

Q. You are a manufacturer and retailer?—A. Yes.

By Mr. Crocket :

Q. Do you ship any to Saskatchewan or Alberta?—A. No.

Q. Your sales are confined to Manitoba?—A. My sales are confined almost exclusively to Winnipeg.

By Mr. Knowles :

Q. What geographical area would this association cover of which you are president?—A. It covers Manitoba, Saskatchewan and Alberta—or Manitoba and Saskatchewan rather.

Q. Does it cover any part of Ontario?—A. No.

Q. Kenora is not in it?—A. No.

Q. How often do you meet?—A. We have an annual meeting once a year and other meetings very rarely, probably a couple of directors' meetings in the year.

Q. Who attends your annual meetings?—A. The members of the association.

Q. From all over the two province you mentioned?—A. Yes.

Q. Where does that association meet?—A. In Winnipeg it has been in the habit of meeting.

Q. Are the offices in Winnipeg?—A. Yes, the head office is in Winnipeg.

Q. Where do they meet? Have they a large room or do they engage a special room for this meeting?—A. They hire a hall for the annual meeting.

Q. About how many attend that meeting?—A. I suppose it would be a hundred.

Q. Are the sessions secret?—A. Well, there are only supposed to be members present.

Q. You would not permit the press, for example, to be present, or would you?—A. I don't suppose so.

Q. Did you ever have any request from the press to be admitted?—A. I don't remember.

Q. You are quite clear they would not be admitted?—A. I don't think so.

Q. You do not think any would be admitted except members of the association?—A. No, I don't think so.

Q. When was your last meeting, Mr. Sprague?—A. The last meeting was in—well, I don't remember when.

Q. Roughly speaking?—A. It was in the winter.

Q. Before Christmas?—A. No, after.

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Q. In January ?—A. In January or February. The minute-book will tell you, the meeting was——

Mr. COCKBURN.—Friday, February 14.

By Mr. Knowles :

Q. It was either in January or early in February ?—A. Yes, I think it was the 14th of February.

Q. Who is the secretary of the institution now ?—A. Allan Stewart.

Q. Does he give all his time to it ?—A. He is supposed to do that and the insurance, the Lumbermen's Insurance Company.

By Mr. Crocket :

Q. Is that a part of the association ?—A. Yes, it is confined to the association members.

By Mr. Knowles :

Q. What salary does the gentleman get ?—A. I think it is \$2,000.

Q. He is away from home, I suppose, a good deal in the course of his duties ?—A. Well, he may be.

Q. How many directors have you ?—A. There are eighteen, I think.

Q. Are there any from Regina that you remember ?—A. Yes.

Q. Tell me who are there—do you remember any in Moosejaw ?—A. Yes, the Vice-President, Mr. Davidson, lives in Moosejaw.

Q. Mr. W. W. Davidson ?—A. Yes, Mr. W. W. Davidson, and I think Mr. Patton at Regina

Q. What does your institution exist for, what is the purpose of its organization ?—A. Well, probably with the permission of the committee I might read you my views of its purpose, what I think it exists for, and the reason of its organization, which might be profitable if it is followed up probably.

Q. Have you it typewritten ?—A. Yes.

By Mr. Lancaster :

Q. We have allowed other witnesses to put in statements if that is what you mean, of course we will examine you afterwards in regard to it ?—A. Well, I have thought that from the way other witnesses were treated in regard to making statements, that I would be allowed to make one also, and with that view I prepared my statement because I had my views and convictions so far as the purport of the committee is concerned, that is in regard to the price of lumber.

By Mr. Knowles :

Q. Read your statement first, is it typewritten ?—A. Yes.

By Mr. Lancaster :

Q. You will file it of course ?—A. Yes, I will file it.

Document read and filed by witness and marked as

EXHIBIT No. 156.

COMMITTEE, HOUSE OF COMMONS.

LUMBER INQUIRY.

' This inquiry being to ascertain cause of present high price of lumber in the northwestern provinces.

' It would seem that the most useful information would be that which indicated the reasons for the advance in price of lumber from the minimum or lowest price at

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which it has been sold in recent years to the price that obtains at present. The extremely low price prevailed within the last three or four years.

‘It is a question in my mind whether the price generally charged in the Northwest is higher or not, considering the existing conditions governing the production and transportation of lumber and the high values obtaining in all other lines.

‘I am informed that lumber in Ontario sells at about the same price as in the west, and that the lumber generally sold to the consumer is not of as good quality, consisting of the lower grades of pine and hemlock, a timber which a few years ago was considered of little use and does not compare in quality or value with the pine, fir and tamarack sold in the west.

‘The price charged by the manufacturers to the retail dealers in the west appears to have been justified as not excessive.’

That is what they think.

‘The increase or reduction in the price of lumber, as with any other staple, depends upon the supply and demand, the general condition of the trade in all producing and consuming countries and the direction in which the trade trends, provided there are no artificial or illegal means or methods employed to increase or reduce it. The cost of production, except when normal conditions prevail, does not regulate the price at which an article is sold. Lumber might be low in price, even if cost of production had been high, if the supply exceeded the demand, and particularly if the market from which competition came in that line was disturbed, or it might be high if the demand exceeded the supply or if the market from which competition came was good, even if the cost of production had been low. This principle governs the price of every commodity, the subject of purchase and sale, whether the product of the forest or farm, so the cost of production is not always the ruling or only factor in the price obtained by the producer.

‘It may be pointed out that in the case of lumber there is no artificial barrier to prevent competition from the foreign market, from which competition naturally would come, viz.: The United States, whose manufacturers have as good, and in some instances, better facilities for manufacturing lumber than that enjoyed by Canadian millers.

‘While not material, the cost of production may be considered pertinent to this inquiry, and I may be permitted to mention a few things which enter into it and which vary largely from time to time.

‘Cost of raw material in this instance, stumpage or timber, which varies greatly. For example, about six years ago I bought timber at one dollar per thousand feet with one dollar crown timber dues and ground rent at two dollars per square mile. Very recently I bought timber less favourably situated for logging, for which I paid \$6.55 per thousand feet, with \$2 per thousand feet timber dues and \$5 per square mile ground rent.’

By Mr. Lancaster :

Q. What is the total difference there between the two ?—A. Well, the total difference is a little over \$6. Cost of plant employed in the manufacture of lumber, which varies to a considerable extent, depending upon whether suitable machinery is procurable at home or if it has to be imported at increased cost. Whether good or hard times prevail ; if good, the cost of erecting a mill and installing the machinery is greatly enhanced as mill wrights and men employed in this class of work are high-priced men. In good times this class of work is very expensive.

‘Cost of taking out the logs and manufacturing them into lumber is governed also by the rate of wages paid, depending upon whether times are good or bad, whether men are plentiful or scarce and very materially upon the class of labour procurable, the cost of horses, sleighs, food supplies and the other equipment necessary for logging camps and mills. The cost is also at times largely increased by unfavourable climatic conditions, such as an unusually deep snowfall, which prevailed the past winter, fresh-

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ets or low water. All these are contingencies which are likely to arise and the cost of which cannot be accurately estimated.

'Decline and rise in prices. The sharp decline in prices which occurred at a period within the last three years or so, was due to the foreign competition from the United States, owing to the demoralized condition of their own market and the resultant sharp competition and cutting of prices between the Canadian manufacturers themselves. Shiplap from the Mountains and Vancouver at one time selling in Winnipeg f.o.b. cars as low as \$17 per thousand feet. In the case of the Coast carrying a 40-cent rate and in that of the Mountains a 33-cent rate, this lumber could not have netted the mills more f.o.b. cars at points of shipment than \$7 and \$8.50 respectively, per thousand feet, and which I would regard as much below cost to the manufacturer. The commencement of the advance in price was due to the foreign demand and the improved conditions prevailing in the home market in the United States. The demand had increased and they were able to get a better price in their own market than by dumping it in the Canadian Northwest, as I will show later from figures submitted to the Hon. the Finance Minister in December, 1905.

'In order to show the committee that the price of lumber all over the world is governed by the general condition of the trade and is not governed by local or provincial conditions, I would point out what I believe to be a fact that deals manufactured in Nova Scotia, the natural market for which is London, Manchester and Liverpool, where they can be shipped at a freight rate of about four dollars per thousand feet, are being shipped up the St. Lawrence to Buffalo, and that several million feet have been shipped to that city all rail during the past winter, and also that a large quantity of lumber cut on the Rainy river in Ontario has been profitably shipped during the past year to Chicago and this notwithstanding the cry of excessively high prices prevailing in Manitoba and the western provinces in comparatively close proximity to the mills.

'Combination of manufacturers. There can be no combination in the manufacture of lumber affecting the three western provinces which does not include the British Columbia Coast Mills, the British Columbia Mountain Mills, the Northern Spruce Mills, the mills in the State of Washington and Minnesota and all the mills in western Ontario from Port Arthur to Kenora, Keewatin and Rainy River, as they all compete for practically the same business.

'The committee will readily see that such a combination is well nigh impossible, and I am firmly convinced that there can be no combination among the six or seven hundred dealers at present engaged in distributing lumber to the consumers in these provinces, and the hundreds of others who will engage in the business as the country is opened up and developed, so long as they are making a living from the business and are out, as most business men are, for what trade they can get. There may, of course, be local instances, such as the dealers at Pense, who must have combined to illegally enhance prices in order to get 45 to 80 per cent profit, if the facts are true as given in evidence by Mr. Wilkinson before your committee. The parties thus combining are, I am advised, amenable to the law and liable to be prosecuted, and if the lapse of time is not a bar to proceedings being instituted, should still be proceeded against if the statement made is correct. The committee can, in this one case at least, justify the necessity for its appointment.

I am of the opinion that lumber prices in the west will generally rule higher instead of lower than at present. There is nothing that I can see in the whole lumber situation, assuming that anything like the present development continues in the future, which will justify any other view.

Lower prices in lumber would result from a period of depression or stagnation in business, a falling off in immigration and consequent check in development. Under such circumstances land worth thirty dollars per acre would be worth probably fifteen, horses worth five or six hundred dollars per pair, would be worth three hundred to three hundred and fifty, wages which now rule at from thirty to forty-five dollars per month, would likely be twenty to twenty-five dollars, as they were a few years ago. Stumpage

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now worth eight to ten dollars (referring to the Rainy River district), would be worth three to five dollars per thousand. Machinery, oats, bacon, beef, flour and supplies generally would be cheaper probably by 20 per cent. Then lumber also in sympathy with everything else would be cheap, but the country would not be prosperous. I question very much if the strongest advocate of cheap lumber would welcome it under such conditions, and unless they arise, I am afraid his wishes will not be gratified and the country will be the gainer if they are not.'

That is generally what I consider the reasons for the increase in the price of lumber. Those are really the explanations of the increase, because, to my mind, I do not think it makes any difference what the cost of lumber is—what it costs to manufacture—but it depends rather upon the state of the market. If a man manufactures lumber and he manufactures it cheaply and there is a demand for it he will get a high price for it. If a man, on the other hand, buys lumber and has it in his yard and there was a great demand for it he will get a good price for it. In some instances I say, men may get more than a reasonable price.

By Mr. Lancaster:

Q. What you mean is that the state of the market and the cost of labour are the things that add to the increase?—A. I mean shortly, that the conditions of the trade generally, the supply of lumber that is available for purchase or for sale, and the demand for it, is what regulates the price of lumber.

By Mr. Knowles:

Q. Why is there any more need that the vendors of lumber should act concertedly than that the vendors of sugar should?—A. Well, I do not think they do. I think the vendors of sugar—

Q. Do you think the grocers join together and pledge themselves not to sell below a certain price?—A. I think so.

Q. You think the grocers do?—A. I think they do.

Q. What makes you of that opinion?—A. I think that all businesses have a regular price for staples of that kind.

Q. You think that in the city of Winnipeg, for example, the grocers are joined together and have an understanding as to the price at which they shall sell groceries?—A. I think they have a grocers' association.

Q. I know that, but what made you think that they have an understanding as to prices?—A. I don't know what their methods are.

Q. A moment ago you said you did in answering my question?—A. I thought probably they did.

Q. You think the chances are that they have such an understanding in Winnipeg?—A. I don't know. I cannot answer any questions with regard to others.

Q. You undertook a moment ago to say on your oath that they were joined together the same as the Lumber Association and with an understanding as to prices?—A. I do not say that.

Q. I asked you what need there was for the vendors of lumber to join together for the purpose of coming to an understanding as to what they should sell lumber at, any more than the vendors of sugar, and you said you thought the grocers had joined in the same way?—A. Mr. Knowles, I will confine my answer to something of which I have knowledge.

Q. Yes?—A. I don't know anything about the grocers. I don't know whether they have joined together for that purpose.

Q. But you think so?—A. That is my impression.

Q. What makes you think so?—A. It is very difficult to give an absolutely definite answer to lots of questions.

Q. You can give a definite answer as to what is the foundation for that belief?—A. Excuse me.

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Q. Well, you will excuse me. What makes you think so?—A. I am trying to tell you that it is difficult and I won't undertake to do it. I have noticed the questions that have been asked with reference to the Lumbermen's Association.

Q. That has nothing at all to do with what I am asking you. We are just wasting our time?—A. All right.

Mr. CROCKET.—I think the witness should be allowed to give his explanation.

Mr. KNOWLES.—The chairman will settle that, Mr. Crocket. I think it is a fair question, but I will ask the chairman for his opinion.

The CHAIRMAN.—What is the question?

Mr. KNOWLES.—I ask what is the foundation for his belief that the grocers are joining together in the same way that the lumbermen are?

Mr. CROCKET.—Mr. Sprague was explaining to us that he thought it was impossible to give an absolutely definite answer, and I understood that he was going to give an illustration.

The WITNESS.—I was going to give a little illustration of that.

By Mr. Knowles :

Q. You were going to give an answer upon a different question and one that I did not want to know anything about. What is the foundation of your belief in regard to the grocers?—A. I don't know that I have anything definite. As I say, these are questions I am not able to give definite answers to.

Q. Why did you say you thought there was such an understanding?—A. I gave my thought—I suppose that is my privilege—and at the same time I undertook not to give a definite answer. Now, it is simply impossible to give a definite answer to some questions.

Q. We have noticed that?—A. I think you have, and I think you will agree with me, Mr. Knowles, that is quite correct.

Q. I don't agree with you that there is any such understanding among the grocers, and I think after reconsideration you will modify your statement?—A. I won't express any opinion. Probably if I had been a little less quick I would not have expressed any opinion at all.

Q. I think after consideration you will admit there is a potent and effective arrangement among the vendors of lumber which does not exist among the vendors of groceries?—A. I don't know what exists among the vendors of groceries, but I won't admit there is an arrangement that exists among the vendors of lumber.

Q. You won't admit there is an arrangement?—A. No, I am not willing.

Q. Then when you use the word arrangement what did you mean? An arrangement as to prices?—A. An arrangement as to prices if you like.

Q. What was it made you raise the price of your lumber?—A. Because the price of the lumber I bought was higher and in order to make any money out of it I was obliged to raise it.

Q. You did it absolutely for that reason?—A. Yes.

Q. You did not do it because other people were raising the price of their lumber?—A. I suppose other people raised theirs.

By Mr. Lancaster :

Q. Did I understand you to say, Mr. Sprague, that the association has no effect whatever on the price charged to the consumer?—A. Not the slightest.

Q. You say absolutely it has no effect whatever?—A. I say it has absolutely no effect whatever. There is no understanding or no effect as such.

By Mr. Crocket :

Q. The association fixes the prices, does it?—A. The association does not fix the price.

The CHAIRMAN.—According to all the evidence we have here it does

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By Mr. Knowles :

Q. Will you tell us this, Mr. Sprague, if you please ? When the prices are raised at your mill I suppose they are sent out from time to time ?—A. If you want to get at the way we treat the matter of prices at Winnipeg I will explain it to you. Of course that is all I have any knowledge of.

Q. It is all we want ?—A. Because I have nothing to do with outside prices.

Q. How are prices arranged in Winnipeg, is it by the dealers ?—A. Yes, the dealers meet together and make a price. No, that is not absolutely correct. They figure out what they consider would be a fair price to charge for lumber to yield a profit. Now any dealer can go out of the meeting—and of course we meet together, we have to do that, in order to get a price at all—any person can go out of that meeting and sell his lumber at cost if he likes.

Q. Yes ?—A. Or he can charge any price he likes that he can get. Now that is the extent of fixing prices in Winnipeg.

By Mr. Lancaster :

Q. What do you meet for ?—A. We don't meet very often.

Q. But when you do ?—A. I may say that to my mind it has been absolutely useless to meet because there is no question of a uniform price. There is no question of sticking to prices as far as Winnipeg is concerned.

Q. Are not prices discussed at these meetings ?—A. Yes, and probably they go over the price list with the wholesale price list, and figure, as I say, what would be a fair profit or fair price to charge for lumber in order to yield a profit on the sale of it. Now, after that is done they are at perfect liberty to sell at any price they like, and the experience has been that they have sold at as low as 5 and 10 per cent gross profit and probably less than that.

Q. You had this understanding about prices, what you think fair in a general way ?—A. Yes.

Q. You settle upon the date at which these prices will come into effect in your mill in Winnipeg ?—A. Yes.

Q. That will probably be a week or a month after a meeting is held ?—A. Yes, or it may be on the 1st or the 15th of the month.

Q. A couple of weeks afterwards, perhaps ?—A. Yes.

Q. And generally in these words : 'We will raise prices on that date ?—A. Yes, or if it is a reduction that the reduction will take place on the same date.

Q. So that they do not come out and act from their independent judgment as you a moment ago said they might ?—A. They do.

Q. You say they do ?—A. I say they do.

Q. Do they generally ?—A. Yes, they do generally.

Q. Did I not understand you to say a moment ago there would be a general adherence to it on that date which was set ?—A. No, excuse me. I said there was not an adherence on that date, and our experience has been that there never was an adherence to the price list, that is my experience.

Q. And yet you keep on making price lists ?—A. Well, you have to have some sort of a price list and we aim to make a fair price list.

Q. What about all joining together, they all join to keep the prices ?—A. I do not think there is any need, it all amounts to the same in the end.

Q. On your oath do you say that each man would make his own prices ?—A. Yes, I think they would.

Q. And do you say on your oath that it would come to the same thing in the end ?—A. I think so.

Q. With regard to this meeting, did your mill increase the price on the day it was agreed the increase should take place ?—A. I suppose so.

Q. Your judgment coincided with the agreement arrived at in the meeting as to the day on which the price was increased ?—A. I do not deny that the meeting fixed

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the date when it was to go into effect. But what I say is that the dealers have never adhered to that price list, they have sold just as their fancy prompts them.

Q. How many yards in Winnipeg go to the general meeting?—A. I think nearly all of them were represented.

Q. How many of them are there, roughly speaking?—A. Probably only eight or ten.

Q. Only eight or ten in Winnipeg?—A. I think so.

Q. Well, we have four or five in Moosejaw?—A. Yes, probably you are well supplied there.

Q. You think there are only eight or ten in Winnipeg?—A. Well, they are not all members of the association.

By Mr. Crockett :

Q. How many dealers in Winnipeg are members of the association?—A. (After referring to list). There are 12 that are members. I see on the list there, there are more members in Winnipeg than I thought.

Q. How many would there be that are not members?—A. Well, there will be—12 that are members, and there are two anyway that are not members.

Q. Are these non-members called into consultation for the purpose of fixing the price list?—A. Yes, for the purpose of arranging the prices.

By Mr. Knowles :

Q. So that you will probably have 15 yards represented there?—A. Yes, 14 or 15.

Q. In fact, you are sure about 14?—A. Yes, sure of about 14—well, they were probably not all represented there, but they were all notified of our meeting.

Q. They were all more or less parties to this arrangement?—A. Yes, certainly.

Q. How many of them would not adhere to it on the day it was to go into effect?—A. I do not know.

Q. Do you know that any of them would not?—A. I know that some of them have not, or we have been satisfied that they have not through our customers. Now, there is a way of determining whether they had or not, because in Winnipeg bills of lumber are often sold on tender, and we get a bill and tender on it. If there happens to be a customer of mine and I tender at the price that we arranged, and which is a fair one, and if I do not get it, it is a reasonable supposition that somebody else has cut the prices and given a lower price.

Q. It is quite a different thing selling in the open market and tendering?—A. I do not see that it is. If you do not adhere to the price list what is the use of it?

By Mr. Lancaster :

Q. It may be a large order?—A. Oh, well, if there was a small order for \$300 or \$400 worth of work and a tender was asked for it.

Q. Your proceedings seem to be a little different in Winnipeg from what we have understood in other places. I want to see if I am right. Do I understand you to say that the dealers, irrespective of whether they were members of the association or not, met and fixed the prices?—A. Yes.

Q. That was not a meeting of members of the association?—A. No.

Q. It was a meeting of dealers whether they were members of the association or not?—A. A meeting of dealers, yes.

Q. These prices were from time to time reported to the secretary of the association?—A. No, I do not suppose the secretary of the association has ever had any intimation of what our prices are, for use.

Q. He does from other meetings?—A. I do not think so.

By the Chairman :

Q. He told us some of them had reported, and we have quite a number of them here?—A. They do sometimes send in their price lists.

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By Mr. Lancaster :

Q. At these meetings of the association dealers who are not members are not present as you have told us?—A. No, they are not present.

Q. You discuss prices at those meetings, you say?—A. At meetings of the association? I do not think so. I do not remember ever discussing prices at a members' meeting—that is, so far as fixing prices.

Q. You discuss whether the members are sticking to them or not?—A. I do not know that we do that. What our association has done—of course, there has been a lot of evidence given here, and it is a difficult thing to go over it, but here is the situation. The by-laws as they existed originally when there were active and honorary members of the Western Retail Lumbermen's Association everything that is contained in these by-laws we intended to do; we tried to do it, and, as I say, there were honorary members and active members, and they were both amenable to certain rules and to certain penalties.

By Mr. Crocket :

Q. The honorary members were the manufacturers?—A. The honorary members were the manufacturers. That went on for probably ten or twelve years, and, as I say, we were trying to enforce every rule that you find there.

By Mr. Lancaster :

Q. Some of those rules related to prices?—A. Yes, and up to that time I do not think it was the general practice to send in the prices that were fixed at the different places all the time, still that was one of the rules and it should have been done probably. But there were lots of things in this constitution and in these by-laws that we were trying to do. We tried to exact penalties, we did everything that we could to enforce them, and this I say extended for ten or twelve years. Now, notwithstanding all that the rules say, and I might say in reference to the secretary's evidence, he gave his evidence simply upon the basis as an officer of that association, as an executive officer in the discharge of his duties in carrying out the provisions of those by-laws on his oath. Among the letters that were presented were some that were written by him with the object of enforcing these rules, and letters he received were complaints in respect of the rules that had been violated. It does not follow that what he attempted to do was effective, or that he was effective, so that in order to arrive at a proper judgment of what we did do it is necessary to follow the operations of the association: that is to see if they were in fact restrictive in any sense, you will have to follow them up and see if they accomplish the objects aimed at.

Q. Will you tell us what he could have done that he did not do that would have produced that effect?—A. I don't think he could have done anything that he did not do. That is the very point. I admit he did everything he could to accomplish that.

By Mr. Crocket :

Q. You say that it was the intention that it should be effective?—A. It was the intention that they were to be effective. So long as we had honorary and active members they both subscribed to the same by-laws and the same constitution. They were amenable to the same penalties and we tried to enforce them. Now what was the result? After twelve years of operation of those by-laws we came to a period of about three years ago, 1904, when notwithstanding that the manufacturers were honorary members, that they could be penalized with the active members or the retail dealers and were liable to the same penalties—we come to a period when the association was practically demoralized; where, with all these restrictions and all our by-laws and everything that the secretary could do, we absolutely had no control whatever over the honorary members, that is as to whom they should sell the lumber, and we had absolutely no control over the active members as to the parties from whom they should buy

By the Chairman :

Q. Was that demoralization not on account of Mr. Whyte's action?—A. Well, I was coming to that a little later, but I am very glad you mentioned it. The reason that took so serious a phase was this, that the honorary members withdrew from the association absolutely. They announced that they would sell lumber to any man who was a dealer in lumber and I think that they have carried that announcement out from that day until this. I think that they can sell, or do sell, to any lumber dealer and the strongest evidence of that is that the independent yards that are in existence buy lumber just as easily as we do ourselves. Now the reason that the honorary members had for grievance was because the association had absolutely no control over its own members. It did not pretend to be able to control them, so far as their purchase was concerned. According to the bylaws under which they were working, they were obliged to buy their lumber from honorary members only and the honorary members were obliged to sell to active members only. Well, now they had no control over them. The result was they bought, I think, in one year about 40,000,000 feet of lumber from the United States. The manufacturers of course thought that was simply replacing a certain amount of lumber that was manufactured in Canada that should have found a sale in our market. Now the manufacturers thought it necessary, notwithstanding their honorary membership, notwithstanding the restrictions it was supposed to have for them and for the active members, they felt called upon to form a company of their own. That company was for the purpose of protecting themselves from the retailers.

Q. What about this list of manufacturers that are in harmony with the Retailers' Association up to date?—A. I will come to that. That appears to be a very serious organization. When one party or one side of the outfit or the association—the honorary members—felt called upon to form a company to protect themselves against the other that does not look as if they were exceedingly harmonious at that particular time.

By Mr. Crocket :

Q. That is to protect themselves against the retail dealers?—A. To protect themselves against the retail dealers who were disregarding all the rules of the association and buying the lumber from anybody they could get it from cheaper, which was at that time from the United States. Now, Mr. Thompson gave evidence in regard to the Manufacturers' Company. I think he said it was for the purpose of protecting themselves against the retail dealers, but one of the schemes that the manufacturers had, or contemplated, was to put in a line of yards themselves all through the country. Now that is the state of the association at the time that the honorary members withdrew, and practically at the time that Mr. Whyte's announcement was made to which the chairman has just referred. I have Mr. Whyte's announcement here.

Q. Before you enter into that, upon the withdrawal of these honorary members from the association, was there not a circular issued by the Retailers' Association containing a list of manufacturers who were said to be friendly to the association?—A. Yes.

Q. Was that done simultaneously with the withdrawal?—A. It was some little time after. The honorary members when they withdrew wished to be in harmony, or wished to have friendly relations with the members of the Retail Lumbermen's Association. Why should they not.

Q. I think you said they withdrew in order to protect themselves against the retailers?—A. I will just come to that point.

Q. You put it in that way, as a protection against the retailers?—A. That is what they did exactly.

By Mr. Crocket :

Q. How do you explain this circular setting forth the names of the manufacturers who were friendly to the association?—A. Well, the retail dealers—apart from adopting the policy suggested of putting in line yards all over the country in their own behalf—are, naturally, the customers of the manufacturers, and of course they would desire

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to be friendly. Now, the manufacturers' company only existed for a very short time. The reason for that was the very same reason that operates now to make high lumber or to regulate the price of lumber—one of the reasons: the condition changed so quickly in the United States that there was no more lumber, or very little more lumber coming in. So the necessity for putting into practice what they intended did not exist any longer.

Q. Was not the purpose of this friendly list simply to indicate the names of the firms from whom the members of the Retailers' Association would be expected to buy?—A. This friendly list was simply a list of the manufacturers, and if I remember correctly it included all the names of manufacturers of lumber, and there was another list of our members. Now, the only thing that the association has done, or has ever done, since that time, would be to send this list of the firms who were friendly, or who wished to be friendly, to the association, to their own members.

By the Chairman:

Q. Those who were working in harmony?—A. Or working in harmony. You can put it in that way.

By Mr. Crocket:

Q. Does that list include the names of all who were formerly honorary members?—A. I think so, I think it included all of them. Now, the only reason probably for leaving a man's name off the list would be for selling lumber to a contractor or to a consumer. The lumber trade consider, the same as any other trade, that is business which should not be done.

By Mr. Sloan:

Q. Why does the Retailers' Association object to the contractor?—A. If contractors were allowed to get lumber it would seriously interfere with the business of the retailer in any particular place where the contractor lives. I know it would have that effect in Winnipeg. If contractors can get their lumber from the mills, why our customers would be taken from us.

By Mr. Crocket:

Q. Would you say a manufacturer could sell to a dealer who was not a member of the association and still have his name retained on the friendly list?—A. Yes, I do not think there is any doubt about it, because he has done it. The manufacturers are doing it; that is the practice.

By Mr. Lancaster:

Q. Mr. Cockburn caused me to believe that the thing went on, after they withdrew, the same as before it, that it made no difference. What do you say as to that?—A. It makes no difference except as to this extent: Supposing a manufacturer sent a shipment to a consumer or a contractor at a point where there was a dealer. If that were reported to the secretary I think it would be his duty—and I think he would do it—to communicate with the mill that made that shipment and try and find out what excuse they had for it.

Q. In other words, there was just as much of an understanding after they ceased to be honorary members as before?—A. No, far from it, because even if he dropped his name from the list—supposing the manufacturer's name was left off the list—there are four or five hundred dealers who have no knowledge of that particular thing. They were not affected by the sale and probably would not be influenced by the fact at all, that his name was not on the list. They would continue to buy from him, and as a matter of fact the very men in the town where the sale was made might continue to buy from him just the same as before.

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Q. Well, then, why would it be revised from time to time and brought up to date, what is the object?—A. The object of this is that any member can see for himself—take myself, if a manufacturer from whom I was buying lumber sold to a contractor or to a consumer in my town I would not buy wholesale from him. That list is revised in that way so that every dealer can simply exercise his own individual ideas, and can either buy from that manufacturer or not as he sees fit.

Q. But when he gets a hint like that he is not very likely to buy from him?—A. That certainly would be a hint to me and I would be governed by it all the time.

By the Chairman :

Q. Your argument would lead the committee to believe that the facts are contrary to the evidence. What do you say of the letter which was read here, written by your present secretary? What do you think about that? He would be in a good position to form an opinion, and that letter is very much in opposition to what you have been saying.

By Mr. Herron :

Q. It seems to me that perhaps you can give information in regard to the point that I am trying to get at. It is this : it seems to me that when these manufacturers retired as honorary members from this Retail Dealers' Association, it must have been planned that they were to do it. I find that the documents show that they did it simultaneously; here are twenty letters and the only difference in one from the other is the different date and the different headings, but every word in every letter is exactly the same, from the first word to the conclusion. That shows, I think, there was some understanding.

Mr. LANCASTER.—They are exactly the same even to the compliments at the conclusion.

By Mr. Herron :

Q. It is the same even to the end of a long letter. It would seem that it must have been a pre-arranged matter that they would change their position from that of honorary members to that of harmonious mills, but that the understanding was that they were to carry out the same arrangement under a different name?—A. So far as these letters are concerned, I think they were pre-arranged simply as between those men who wrote them. It would appear to me they had a meeting at which they decided to withdraw and probably passed a resolution on the lines of these letters, and probably they drafted a letter for each one to sign.

Q. They are all on different headings, and are written on different headlines and on different paper?—A. That is all right; they may have agreed on a form of letter, and evidently did.

Q. And apparently there was an understanding that they would change their name, that even after leaving the association they wished to be on the friendly list; that is indicated in that letter, and then we also find from time to time afterwards that complaints came back, and when complaints of violation of the rules were made, they considered they were on the friendly list, and if any member of your association would not buy from them, then it was claimed it was a violation of the law.

By Mr. Lancaster :

Q. I think it is fair to draw Mr. Sprague's attention to the fact that every one of these letters say they believe 'it is advisable in both your interests and ours' that they should withdraw. They have in view certain things. They say:—

'VICTORIA, B.C., Dec. 17.

'ISAAC COCKBURN, Esq.,

'Sec'y Western Retail Lumbermen's Ass'n,

'Winnipeg, Man.

'DEAR SIR,—Owing to the fact that our position as honorary members of your association continues to be misunderstood and misrepresented by the public and more

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particularly by the railway authorities and members of the Dominion House of parliament, we have been forced to the conclusion that it is advisable in both your interests and ours, that we should withdraw, you will therefore please not renew our membership for 1905.

‘Our relationship in the past has been of such a pleasant nature that we take this step reluctantly, and would have preferred not withdrawing until after consulting with you at your next annual meeting, but circumstances are such that we cannot wait until then.

‘In severing our connection we wish to convey the information to your association that our intention is to confine our dealings to those who are regular and legitimate retail dealers.

‘With kindest wishes and expressing the hope that your association may prosper.

‘Yours sincerely,

‘A.C.

‘J. A. SAYWARD.’

Q. ‘We have been forced to the conclusion that in both your interests and ours that we should withdraw.’—A. Yes, of course we do not know what reason they had for coming to that conclusion. That is their view.

Q. Yes, but they state there that it is both in the interests of the wholesaler and the retailer they should withdraw. An ordinary ignorant person like myself might from that rather fancy that it is a mutually beneficial arrangement?—A. I cannot understand it.

By the Chairman :

Q. I want further to jog the witness’ memory. Here is a gentleman who is now secretary of your association, a gentleman whom I know, and I fancy his judgment is worth something, this is a letter (Exhibit No. 112) which was only written a month ago or a little more, it was written on the 8th of March and is addressed to a gentleman, the secretary of the Tri-State Lumbermen’s Association in North Dakota, who thought of coming into Manitoba to go into the lumber business, and this is entirely at variance with what you have been trying to impress upon us. In that letter the secretary says:—

‘Your favour of the 5th to hand and noted. We inclose you a copy of our old by-laws, we are just having a revised set printed, but in the main they are the same, the alterations not affecting them in any way. Our association extends all through Manitoba and Assiniboia, and you will see from our by-laws the extent of protection that we give our members, although of course you can understand with the agitation there is at present before the public our by-laws are worded so as not to be in any way a restriction to trade. Practically all the dealers in Manitoba and Assiniboia belong to the association, in fact I don’t think that there are more than 10 or 15 out of 640 that do not, so that you can see for yourself that the retail dealer considers that the association is a protection to him or else they would not join and pay their money for nothing.

‘With regard to the locality that offers the best inducements for those wishing to start in the retail trade. At the present time the bulk of the immigration and opening up of new country is in Assiniboia, and consequently the lumber trade last year and part of the year before was a great deal larger than in Manitoba. For anybody wanting to buy out yards there are good points still in Manitoba, but for young men wishing for business opportunities—’
That would indicate he thought there was not much opening in Manitoba for anybody to start new yards.

‘I fancy that the west offers better facilities than the older settled districts.’
That was only written on the 8th of March, by Mr. Stewart, who has been in the lumber business to my knowledge for a great many years in Manitoba, and who was

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one of the local directors of the association in our district for years, and he ought to know what he is talking about?—A. Yes, well, I do not see anything very serious about that except his reference to the by-laws.

Q. It is not that it is serious or not, what I say is that that letter is in contradiction to what you are trying to lead us to believe, that your association is not as effective now as it was years ago?—A. I do not know that he conveys that idea. He says, 'Our revised by-laws are being printed,' and in those revised by-laws there are very small changes, which were necessary to meet the altered condition with regard to the officers in one way or the other, they are small changes in the wording.

Q. We do not want to be placed in the position of being accused of not reading the whole of that?—A. I do not understand what his idea was for saying anything of the kind. There was no necessity for it.

By Mr. Herron:

Q. I have here a letter dated Calgary, May 14, 1906, addressed by the secretary of the Alberta Retail Dealers' Association to the Western Retail Lumbermen's Association at Winnipeg, bearing date of Calgary, Alta, May 14, 1906 (reads):—

'At a meeting of the Retail Lumber Dealers' Association held in Calgary on the 8th inst., I was instructed to write your association with a view of arriving at a harmonious understanding on the following points:—

'1. As to the territory in which we shall each operate.

'2. A mutual ground by which we could support each other in our dealings with Mountain and Coast Mills Association.

'3. An agreement by which our members could carry insurance in your Insurance Company.'

The letter is a long one, and I will, therefore, not read the whole of it. There are, however, a few paragraphs more which should go into the record (reads):—

'1. That you recognize our association and its right to the territory of Alberta for its operations.

'2. With regard to our dealings with the Mountain and Coast mills we have also at our last meeting passed a resolution, copy of which we inclose, and which we think you will heartily support. We feel that in this connection we can each give the other considerable support, as it is undoubtedly ground on which our interests are identical. We would ask you, gentlemen, that you give these requests careful consideration and let us have a reply as quickly as possible, that we may be able to present a united front to the Mountain and Coast Mills Association.

'Wishing your association continued prosperity, &c.'

That is evidently when the manufacturers were withdrawing from the Retail Association?—A. That was when they left the association. I don't know what was ever done with that.

Q. How many directors are there in the Western Retail Association?—A. 18 I think.

Q. Are they paid for their services?—A. No.

Q. I mean when they make a trip from one point to another, which they have done?—A. Well, I do not think the directors have made many trips. The secretary made some trips.

Q. I have seen in some instances that the directors were paid?—A. Yes.

Q. They were paid \$5, and then the amount was reduced to \$3?—A. They are paid when they attend meetings, but I don't know that there is any provision for work they do around in the neighbourhood. When attending directors' meetings they are paid their railway fare and \$3 a day.

Q. You informed the committee that this association carries out none of its objects. Would you lead us to believe that you continued this association for ten or twelve years with a president, a secretary to whom you paid \$2,000 a year, and eighteen directors without realizing any of your objects?—A. The eighteen directors have only been appointed for the last two years, I think.

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Q. Would you lead the committee to believe that you would continue in an association with expensive machinery of that kind if its objects were never carried out, if the principle in regard to prices was never adhered to?—A. I mean to try and convey the impression of just what I stated. One of the objects of the association was to cure what we considered business defects in the way of manufacturers dealing with their customers, the retail business—that is in the way of selling lumber to the consumer—and if they succeeded in that and simply kept them from buying from the mills they were accomplishing a great deal for the retail dealer.

By Mr. Lancaster :

Q. You say there were defects in the way they sold?—A. That is what we considered, defects in their business methods.

Q. What sort of defects?—A. That is selling to consumers direct.

By Mr. Crocket :

Q. Here is a letter, to which I call your attention from R. F. Hay, dated Saskatoon, February 27, 1906, addressed to Isaac Cockburn, Winnipeg. The latter was then secretary of the Retail Dealers' Association, was he not?—A. Yes, Mr. Crocket.

Q. Well, this letter reads as follows (reads) :

'I have found the dealers of this line quite willing and agreeable to fix prices. The only unsatisfactory feature of the meeting is that Mr. Shields of the Independent Lumber Co. was not present. He was notified and received the notice. Prices have been fixed by the others, but they do not know of course that he will be willing to adhere to them and therefore there is no certainty that they will be respected by Mr. Shields. There is a strong feeling all over against the Independent Co., all over the west, and also against the manufacturers whose lumber they handle. It appears to be generally understood that the large portion of their supply comes from the Pacific Coast Lumber Co., and the Kamloops people. I don't think travellers for their firms will receive much business when the Independent Lumber Co. are known. I find the dealers all over very willing to carry out the associations' wishes in refusing to buy from mills who are not friendly to that body.'

That letter would seem to indicate, would it not, that the agreements that are made as to prices and from whom the retailer should purchase, are usually effective?—A. I think he refers to the dealers. This is making the prices. I think he refers to when they have made the prices.

Q. The dealers on this line?—A. Yes, they made the prices themselves.

Q. He reports there was a specific agreement entered into by the dealers?—A. They might do that.

Q. To fix prices, and that one dealer, Mr. Shields of the Independent Lumber Co. was absent? He reports that as an unsatisfactory feature?—A. Yes.

Q. And there was no certainty that he would adhere to the agreement. But as to the others it would look as if it was a pretty effective arrangement to maintain prices?—A. No, that is a method of fixing the prices they always adopted. They make the prices themselves.

Q. But you said they do not usually adhere to the prices they agree upon?—A. Excuse me Mr. Crocket, I said that so far as my knowledge of Winnipeg is, they do not agree, I was only speaking of Winnipeg. As to this place I think they probably make the prices and adhere to them.

Q. Any other points?—A. I would say further they probably make the prices too high. I am not trying to justify that at all.

Q. You are only speaking of Winnipeg?—A. The only point I wish to make is that they make these prices themselves in these localities in which they do business.

Q. Your statements as to this agreement not being effective is confined to Winnipeg?—A. That was confined to Winnipeg absolutely.

Q. While I think of it, Mr. Sprague, there are two or three questions I wish to ask. Are the prices laid down in your mill?—A. I cannot tell, Mr.

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Crocket. because my business is of a very peculiar character. It is mixed up so that it would be impossible for me to tell.

Q. You could not give a general idea? What is the average price you get for your output?—A. I cannot tell you either, but I have a list here of the Winnipeg prices, the result of our sales for some little time.

Q. And you would not know the cost of logs at the mill either?—A. No. Of course you have lots of evidence as to that which is absolutely correct, where there is simply a mill getting out logs.

By Mr. Lancaster :

Q. How much of an increase has the consumer been obliged to pay during the last year or two in Winnipeg?—A. I could not tell you. I have lists here that I would have to refer to and there are lots of them.

Q. I think you had better give us the list because it is a different one at Winnipeg?—A. Yes, I can give you the list.

Q. You say the agreement as to prices is not very effective? I am interested in seeing the effect it has had on prices during the last two years. Give us the increase during the last year and a half?—A. The last year and a half.

The CHAIRMAN.—Give us the list of two years ago and the list up to date.

By Mr. Lancaster :

Q. Take the common stuff, ordinary shiplap and common board, ordinary average common stuff?—A. Well, now, here are the lists of May, 1905, February, 1906, and January, 1907.

Q. That is all right.

The CHAIRMAN.—Those will do.

(Price lists filed and marked as exhibits:—

May 20, 1904—Exhibit 157.

May 1, 1905—Exhibit 157A.

February 1, 1906—Exhibit 157B.

January 15, 1907—Exhibit 157C.)

A. Mr. Chairman, you have had a lot of evidence as to the association and the views of different witnesses have been given in regard to it—

By Mr. Lancaster :

Q. Pardon me, before you go into that, you can go into that afterwards, but I would like you to give me those prices?—A. Will you have the price of dimensions; that is what we usually list?

The CHAIRMAN.—The price of dimension is what we want.

By Mr. Lancaster :

Q. The Winnipeg prices of dimension, what is the first one, May, 1905?—A. May, 1905.

Q. What is that price?—A. 2 x 4 to 2 x 8, 12 to 16 feet, \$24.

Q. And the next one was what date?—A. February 1, 1906.

Q. How much?—A. 2 x 4, 12, 14 and 16 feet, \$25.50.

Q. Yes, and the next?—A. 1907.

Q. What date?—A. January 15.

Q. And what is the price?—A. \$29.

By the Chairman :

Q. You have not got the lowest price list; 1904 would be lower?—A. May 20, 1904, I can give you that. It is \$24.

Q. The same as 1905?—A. Yes, the same.

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By Mr. Lancaster :

Q. Do you know, as a practical man, of any way in which these consumers can get their lumber cheaper?—A. Well, I cannot say that I do.

Q. Have you any suggestion how it can be done, if it can be done reasonably, having the interests of the country at heart, to get the lumber for these people in Winnipeg cheaper?

By Mr. Knowles :

Q. That is the greatest possible assistance that you can give this committee?—

A. I do not know that there is any way, Mr. Lancaster, because I am not stating that lumber is too high in the west. If it is not too high then there is no place that you can remove any profits from in order to make it lower.

Q. Do you know how much profit there is in that \$29, how much the miller and how much the retailer get?—A. I do not know.

Q. Well, you manufacture lumber right from the log?—A. Yes, I know.

Q. You are a wholesaler and a retailer, and the best man we have had yet to give us an opinion, because the other men have not been both wholesalers and retailers. When asked this question the retail man has said I do not know what the wholesaler's profit is, I know what my own is, but I do not know what the other man's is, and when we have had a manufacturer he has said, I do not know what the retailer's profit is. You know what they both are, you know what both the retailer's and wholesaler's profit is, because you manufacture from the log, and you sell retail. Now, what I ask you is, how much profit is there in that \$29?—A. I do not know anyway, of course, the price of lumber is governed by the bulk of the trade, that is by the mills that have the product to sell. I buy probably four times as much as I manufacture.

Q. You mean the question of supply and demand?—A. No, I buy about four times as much lumber manufactured as I manufacture, or three times as much anyway.

Q. You know whether the lumber you manufacture costs you as much as what you buy manufactured, you have some profit on what you manufacture, haven't you?—A. I ought to have.

Q. It does not cost you as much to manufacture as it costs you to buy?—A. No, I do not think it does, pine lumber; I think we can manufacture probably a little cheaper than we buy.

Q. In other words, how much less does it cost you for the lumber you manufacture yourself than it does to buy the lumber from the other manufacturer?—A. I cannot answer that.

Q. You cannot tell us?—A. I really cannot.

Q. You really cannot answer that question?—A. I really cannot answer. ..

Q. You cannot even give it to us approximately?—A. No, I suppose I could give it roughly, I know it ought to cost me less.

By the Chairman :

Q. It is remarkable that you cannot tell us what those Roseau logs, for instance, cost you? It is not very far away?—A. It may seem strange, and probably it is to the committee. I want to explain the situation. I sell about 20,000,000 feet of lumber and my whole plant, my teams and men, my whole plant, delivery and everything else is engaged in this business. They may be employed on the Roseau River limits part of the time and on the other place part of the time, and it is impossible for me to say, as a matter of fact, I have never attempted to keep the accounts separate.

Q. If you don't mind telling us then on the lumber you bought and that you sold for \$29 in January, what did that lumber cost you, and what was your profit on that? That removes the elements which bother you with regard to the other items. You bought it laid down in Winnipeg, how much did you pay for that, for that which you sold at \$29?—A. That would depend entirely on the cost. Here is a price list for March, 1907.

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Q. Well, of course you did not sell in January what you bought in March ?—A. Well, I haven't it here, I do not think I have it here.

Q. Can you not tell us what you bought at in January when you sold at \$29 ?—A. Yes, that was our list, Mr. Lancaster.

By the Chairman :

Q. Your list of last fall would give you that, would it not ?—A. That is February, 1907.

Q. No, January, 1907. It must be before January, 1907 ?—A. There must be a Rat Portage list here, a wholesale Rat Portage list, is there not ? I have a list here for December, 1906, that is it. That lumber cost \$23 and \$23.50. There is an advance of 50 cents on March 6, 1907.

By Mr. Lancaster :

Q. It cost you in December, 1906, how much, \$23.50 ?—A. Yes, \$23.50 and \$23; 2 x 6 and 2 x 8, \$23.50, 2 x 10, \$25.50.

Q. That would be a profit of \$5.50 on the \$23.50. Do you not think that business can be done with a smaller percentage of profit ?—A. That list is subject to 5 per cent discount and it gets whatever discount they like to give after that.

Q. Do you give a discount besides that ?—A. I don't think they sell on that list at all.

Q. But you sold it at \$29 ?—A. I don't know that that is a list. That is what I should sell lumber at to get a fair profit on it, but I don't know that we do it ; I don't think we do.

Q. That is what I want to get at. What you call a fair profit is \$5.50 on \$23.50 ?—A. Less 5 per cent, and I do not know, Mr. Lancaster, whether that list has gone up or not since. In a place like Winnipeg, and I think that would apply to Regina, it may explain to a certain extent the great range between the wholesale and retail price. In these places the price lists are made largely in the spring to cover the summer—that is to say the contractors would be possibly in doubt what the price would be for the season and if there is a prospect of a rise or if there was one that we knew of that might be provided for in the retailer's price list and might not be charged to the customer until it became effective. Now that may explain to a certain extent the apparent high price that prevails at Regina ; I don't know whether it does or not.

By Mr. Crocket :

Q. In reference to what you seemed to want to impress upon the committee, that the Retailers' Association were not insisting upon a strict adherence to the by-laws, I want to call your attention to the proceedings at a meeting which was held on July 28, 1904 ?—A. Yes.

Q. I see here the following resolution (reads):—

'Moved by H. G. Houseer, seconded by J. K. Robson, that the secretary having reported that the E. H. Heaps Co. have neglected to comply with his request *re* a shipment to a non-member at Swift Current, the secretary is hereby instructed to write Messrs. Heaps & Co. to the effect that unless payment is made of the amount assessed therefor within fifteen days, the name of Messrs. Heaps & Co. be removed from the list of honorary members of this association.—Carried.'

A. Yes, that is quite right.

Q. Then, the same meeting, this resolution was adopted (reads):—

'Moved by G. E. Davidson, seconded by W. H. Duncan, that the secretary having reported that the East Kootenay Lumber Co. having neglected to comply with his request *re* a shipment to a non-member at Swift Current, the secretary is instructed to write the East Kootenay Lumber Co. that unless payment is made of the amount assessed therefor within fifteen days the name of the East Kootenay Lumber Co. be removed from the list of honorary members of this association.—Carried.'

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So you see there were two cases?—A. That is quite right, Mr. Crocket. That is prior to the date on which I said we were trying to exact every penalty, carry out every benefit of the by-laws. That is before the honorary members resigned.

Q. I think you said that at the inception of the association it was intended to make these by-laws effective, but that really the association never insisted upon a strict adherence?—A. Oh, yes. I say we used every effort to maintain a strict adherence to these by-laws, that is during the time when they were honorary and active members.

Q. The sale indicated by these resolutions would be a sale to a non-member?—A. Certainly.

Q. Under your by-laws?—A. Yes, under those by-laws.

Q. Then, at page 280 of your minute book I read 'minutes and proceedings of the third meeting of the board of directors, held at the office of the secretary, 616 McIntyre Block, Winnipeg, July 26, 1905 at the hour of nine o'clock a.m.'

At that meeting the following resolution, to which I desire to draw your attention, was passed (reads):—

'Moved by Davidson, seconded by Robson, that the secretary-treasurer in making out lists from time to time of the wholesale firms and manufacturers drop off all who are not in accord with the general requirements of the association in their trade relations, from the leaflets recording those in harmony with the association members, and withholding therefrom all members who sell to non-members or consumers or contractors.—Carried.'

A. Yes, what was done with that?

The CHAIRMAN.—That is what Mr. Cockburn told us.

By Mr. Crocket :

Q. So selling to a non-member would mean the removal of a company from the friendly list?—A. What did they decide to do with that?

Q. That resolution was carried?—A. And what is the date of it?

Q. July 26, 1905

The CHAIRMAN.—It corresponds with what Mr. Cockburn told us?

A. That is all right.

Q. I understood you to take the ground that to sell to a non-member was not a violation of the by-laws, only a sale to a contractor?—A. I say that when manufacturers sold, as far as the association is concerned, they might take that view of it, that they might drop a man's name off, but I do not think they have, unless there is a particular case there; I do not know of any.

Q. That is a general resolution?—A. That is a general resolution, and I suppose the association would take that view that a man who sold to a non-member might have his name dropped off.

By Mr. Lancaster :

Q. Do you remember the case I was asking Mr. Cockburn about, where he suggested that commission should be paid on the car of lumber that had been sold to a non-member?—A. Yes, that would be very properly put.

Q. So they carried that out although they were only on the honorary list?—A. It was purely optional with them whether they did that or not.

Q. Cockburn thought it was the best way to do and it was done?—A. He may have done that.

Q. He objected to me saying it was a fine, but he directed it to be done, and it was done for the sake of keeping up harmony?—A. Mr. Lancaster, probably you can understand this situation. Some time ago—oh, it was several years ago—I shipped two cars of lumber—either one or two cars of lumber—to a point in the country. My customer was a resident of Winnipeg, and he came and bought the lumber in the ordinary way, and when he bought it we did not know where it was going. He asked

us to load it on the car, and he shipped it to a point where I had customers and without it being referred to the association or without any complaint being made I paid the dealers at that point a commission on these cars, and that is just simply what Mr. Cockburn has done.

Q. No, I beg your pardon. He certainly did that, but there is this difference that you had it all in your own hands?—A. Yes.

Q. You had some friendly customers. You wanted to treat them friendly, to yourself, whether it was a sentimental or a business reason—perhaps it was a business reason. That is one thing, but when the secretary of the association is appealed to as a sort of judge or decider and gives his decision after inquiring into the matter in the name of the association, that is quite different to your case?—A. It is not very much different.

Q. It is because the association was used in the other case. That is what I am pointing out?—A. These men objected to shipments into their points.

Q. And appealed to you?—A. They complained to Mr. Cockburn.

Q. Did they appeal to you?—A. The other men complained to me, certainly.

Q. But in the one case they used the association to accomplish the desired result and in the other case they appealed to you individually?—A. They complained to the secretary and the secretary suggested to this man that that would be a proper thing for him to do.

Q. You did not say to the man who was complaining, 'Apply to the man who sold the lumber and see if in fairness he won't do something for you'?—A. I think the secretary honestly ought to do something for the members of his association.

Mr. SLOAN.—He ought to earn his salary.

By Mr. Lancaster :

Q. That is what he is paid \$2,000 a year for. You do not know of any way by which the consumer in Winnipeg can get lumber cheaper?—A. The consumer in Winnipeg?

Q. Yes?—A. The consumer in Winnipeg, Mr. Lancaster, gets his lumber as cheap as he should, and a good deal cheaper, and the unfortunate part of it is that the men who should not get it cheap are the ones who do get it cheap.

Q. Who should not get it cheap?—A. The man who is rich and amply able to pay for it. For example I may trouble you just a minute while on that. This is a matter that was referred to by a witness, I think Mr. Lewis. This is a memorandum of the T. Eaton Company contract in 1904-5. Mr. Lewis referred to it as not being able to meet that competition. Now, there were 11,800 pieces of 3 x 14 x 18 feet—of course any one that knows anything about lumber would know that it takes a lot of timber, there is nearly 200,000 feet, they have to be very good logs and all one size, all one length like that, which is the most expensive bill you can get out, and that lumber cost on the cars—

By Mr. Sloan :

Q. At Winnipeg?—A. At Winnipeg; it cost on the cars at Winnipeg \$19, I sold it myself so I know what was got for it.

Q. Did you say there was 200,000 feet?—A. 196,000 feet and we got \$20.25 for it, which was \$1.25 per thousand profit; there were 1,680 pieces 2 x 12 x 18 feet long, which cost \$17 f.o.b. cars and sold at \$18.50, making a profit of \$1.50 on that.

Q. How did it happen that the T. Eaton Company got for \$20.25 what the poor man would have been charged \$29 for?—A. The difference is caused by the competition in the sale of lumber.

By the Chairman :

Q. That lumber was brought from Washington?—A. I brought it from Washington myself. I was just going to finish the statement of the prices. There were 1,500 pieces 3 x 6 x 18 feet, which cost \$20.25 f.o.b. cars, Winnipeg, and these were sold at

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\$21, a difference of 75 cents per thousand. The average cost of that lumber to me was \$19, and it sold at an average price of \$20.25, giving an average profit of \$1.25 per thousand. That lumber I made an offer to buy from the Brunette Saw Mill Company, or any other saw-mill company in Vancouver, and I would have given them the preference if it had been possible. I would have given them an advance of fifty cents a thousand in order to take the Canadian lumber if they could have supplied it at that price.

By Mr. Sloan:

Q. That was in 1904?—A. Yes.

By Mr. Lancaster:

Q. Why didn't they give it to you, did they not have it in stock?—A. Yes, they could have filled the order as well as anyone else, but the lowest tender, that of the Brunette Saw-mill Company, was \$22.50, that is \$3.50 above the Washington price. Those ten cars, that is 196,056 feet, cost f.o.b. at Winnipeg \$3,725.06. The freight from the Coast was \$2,207.80, which was \$11.26 per thousand, and the cost at the shipping point was \$1,517.26, or \$7.74 per thousand. Well, now, at that time, I think it would be absolutely impossible for any saw-mill man to produce that lumber at that price, but there was any quantity of it, there was a surplus of it there.

By Mr. Sloan:

Q. Did you figure out the weight per thousand of that shipment?—A. It would be the forty cent rate, which would appear to be about 3,000 lbs.

Q. That is per thousand feet?—A. Yes, \$12 or \$11.26.

Q. That is getting pretty near to it, we have had a great deal of discussion about the weights. You were going to say something about the cost of that lumber in the State of Washington?—A. Yes, I stated it cost, or what the mill-men got out of it was \$7.74, and I do not think a boom of logs, or a raft of logs out of which that stuff could be made, considering that it was all of the same size, the same length, and that the timber that would come off it would be largely unsaleable, because we all know it is easier and cheaper to fill a large bill that has different sizes and different lengths than it is when it is all one size, I do not think it could be produced at \$7.74. I think if the \$3.50, the higher price that the Brunette people asked for it, had been added to that price it would then be about the cost.

By Mr. Lancaster:

Q. Then is it so that the way we can account for that exceptionally low price is that it was because of the largeness of the order?—A. Yes, it was a low price, and it was low because lumber on the other side was low at the time.

Q. What year was that?—A. 1904-5. That was the reason that the Canadian manufacturers had such a hard time of it, simply because lumber was low on the other side. They had no duty or anything of that kind to protect them.

By Mr. Sloan:

Q. What do you think about this duty? Do you think it has helped the consumer in the Northwest any?—A. The duty.

Q. The duty being taken off rough lumber?—A. I do not think that the duty having been taken off rough lumber has ever been any benefit to the consumer of lumber. I do not think—I am frank in that—I do not think they have ever got any benefit.

By the Chairman:

Q. Do you not think our timber limits are liable to run out?—A. That our timber limits will run out?

Q. Yes?—A. Well, I suppose they will in time.

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Q. Then will it not be an advantage to have such a thing happen on the other side as happened at the time you are talking about, that lumber will be cheap so that we can get it from the other side and save our own?—A. Yes, but you cannot get lumber from them except when it suits them.

Q. I know you cannot get it from them now, but you could at that time?

By Mr. Lancaster:

Q. Is it not a good thing to have another shop to go to?—A. Yes.

Q. But what the chairman means is that if the duty was put back on lumber you would lose the other shop to go to?—A. Of course there is just this about it, if the object of having the duty taken off lumber was to enable the lumber to be imported so as to take the place of lumber that we have, and to save our standing timber, that would be one consideration, but if the removal of the duty from the lumber had for its object the getting of lumber cheaper by the consumer, I think then it has been a failure.

By the Chairman:

Q. I can give you my own personal experience. I bought a good deal of lumber for my own buildings in Manitoba, and I bought it from the American side, and I bought, I think, better boards than I can get at almost any price now at \$12 per thousand delivered?—A. I can understand that you were buying under exceptional circumstances, I presume, Mr. Greenway?

Q. Well, that was a benefit to me, I was a consumer?—A. But I do not think it was a benefit to anybody to have the duty taken off.

Q. If there had been two dollars duty I would have had to pay \$14.

By Mr. Sloan:

Q. You stated here to-day that lumber is being shipped to Chicago from the Rainy river, what authority have you for making that statement, Mr. Sprague?—A. Well, I was told so by the Rainy River people who shipped it.

Q. You are prepared to accept it, are you?—A. Yes, I think it is true.

Q. It would evidently appear then there is not much danger of any great competition from the United States as long as they have got on their own side of the line a market for their own product?—A. I don't think there is. The circumstances of the removal of the duty, I fancy, we all know. The object in removing it was probably as much for political reasons as it was in the interests of the consumer of lumber. It was removed and this lumbermen's association was given as the excuse for its removal. Since that time the manufacturers of lumber have made several efforts to have the duty re-imposed, and I said that I would give some information that I gave to the Finance Minister at one time in reference to that.

By Mr. Herron:

Q. Here is a letter under date of Vancouver, B.C., February 28, 1906, to Isaac Cockburn from the Pacific Coast Lumber Co. The last paragraph of the letter is the only one that I desire to bring to the notice of the witness (reads):—

'We are sorry to see that our name was left off the list of members working in harmony with your association, and would like very much if you would kindly restore it to your list. We have no hesitation in promising you that we will do everything necessary to keep fully in accord with your association.'

A. I was a director of the Pacific Coast Lumber Company, and refused to buy lumber from them while they sold to consumers. There has been a good deal of evidence given—and I am sure you want to get all the information you can—which would go to indicate that independent yards, through the efforts of the Retail Association, could not buy lumber. An effort has been made to prove that. Now, if you will give me permission, I will read this letter, which will not be very long (reads):—

'In reference to our conversation'—

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By Mr. Lancaster :

Q. Who is that from?—A. It is from Mr. Shields.

By the Chairman :

Q. From whom?—A. John C. Shields, manager of the Independent Lumber Co.

Mr. HERRON.—I don't know about the admission of such evidence.

The CHAIRMAN.—I don't know what good that is.

Mr. HERRON (to witness).—You might read all the letters of that kind in the world, and it could not possibly take the place of the correspondence of your own officers here, and there are a hundred letters or more in our possession.

By Mr. Lancaster :

Q. These are letters dealing with facts that happened, whereas the letter you propose to read contains merely the opinion of an individual?—A. Surely you would take the opinion of Mr. Shields, in view of the fact that he has twenty yards, and is able to get lumber from every manufacturer, whether on the printed list or not.

Q. It would be like a man making a statement in the witness-box and refusing to be cross-examined. If Mr. Shields were here and said out of his own mouth what you are going to read, it would be all right; he could be cross-examined. But to make a second-hand statement, as he chooses to make it, and without his being subject to cross-examination, I think—I do not object to straining the rules of evidence on these matters to a certain extent—would be going too far. Honestly I do?—A. If he simply makes a statement?

Q. These other letters that have been produced contain statements, and witnesses were asked about them, but we have no opportunity of making Mr. Shields explain anything. It is all right for you to put in your own statement, because we can ask you about it?—A. Yes, certainly.

Q. We have that chance, and we get the facts, reasonably of course, but we might be very much deceived by that letter without any chance of an explanation by Mr. Shields?—A. The letter simply gives a history of his business, states the number of yards that he has, and that he has no difficulty in buying lumber, and that—

Mr. LANCASTER.—I do not want to impute that he is not telling the truth, but you see we have no opportunity of testing the accuracy of his statement.

The CHAIRMAN.—He could write any sort of letter he liked.

Mr. LANCASTER.—I don't mean to say he would.

The CHAIRMAN.—I don't say that he would, but I say he might.

The WITNESS.—This man is not a member of the association.

The CHAIRMAN.—I don't know that that has got anything to do with it either.

The WITNESS.—He is an independent man and he buys his lumber.

The CHAIRMAN.—He has a large number of yards.

By Mr. Lancaster :

Q. You believe that?—A. I certainly do.

Q. If he were here he might surprise you by telling you a good deal that you don't know about it. Lots of witnesses have told surprising things when questioned as to them?—A. It appears to me that if the object of the inquiry is to get all the information—

Q. Yes?—A. And if it is claimed that the operation of the association prevents certain things—that is, prevents the manufacturers from selling to other than members of the Retail Association, the committee should possess themselves of all the information.

Q. What I wish to say is there is no information for this committee in that letter unless it is sworn to. I do not want to insult Mr. Shields by implying that he would write a letter that is not true, but we have got to face the fact that it is not informa-

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tion to this committee to read a letter or letters that a man cannot be cross-examined on. In the case of these other letters they were put into the hands of men who knew the circumstances in regard to them and could explain them. This letter that you want to read stands alone, and is from a man who does not come here and take the oath and submit himself to cross-examination in regard to it. I think you will see the point yourself without any difficulty ?—A. I quite see that.

The CHAIRMAN.—We have not taken anything of the kind from anybody else and it would be a new departure entirely.

Mr. LANCASTER.—If we were to allow such a thing we would be overwhelmed with letters by men who would make statements and would not come here and swear to them. Any crank could write a letter containing all sorts of things and expect it to go down as evidence.

Mr. SLOAN.—Perhaps the witness could give a synopsis in his own words.

Mr. LANCASTER.—Personally I have no objection to Mr. Sprague swearing to anything in that letter that he knows to be a fact.

The CHAIRMAN.—If he knows the man has stated facts.

Mr. LANCASTER.—But the witness should not tell us what Mr. Shields says unless he knows it to be true himself.

Mr. SLOAN.—Mr. Sprague can embody any of the facts in the letter in his own evidence.

The CHAIRMAN.—Certainly if you know anything contained in the letter of your own knowledge the committee will hear you, otherwise I don't see the use of it at all.

The WITNESS.—The reason Mr. Shields sent me that letter at all was that one of the witnesses, Mr. Wilkinson, who lives in the same town as this man lives in did not appear to know very much about it. It appeared strange to him that a witness before this committee and a fellow townsman did not know a man who was conducting the lumber business and had twenty yards.

Mr. LANCASTER.—It would not be proper if you were allowed to contradict something some one else said by some one writing a letter to you ?—A. It does not contradict anything. It gives a statement of the number of yards he operates and the amount of business he does.

Mr. LANCASTER.—We cannot accept that statement unless it is put in under oath. Look at the door we would be opening if we accepted your suggestion. Do you not see it yourself.

The WITNESS.—Yes.

Mr. LANCASTER.—It would be interminable.

The CHAIRMAN.—We would never get done.

Mr. HERRON.—It would be no good to have such evidence, such stuff, put on the record here.

Mr. LANCASTER.—If letters were written as to statements of fact and were not sworn to we do not know what influence it might have.

The CHAIRMAN.—We would be putting on the record something that ought not to be there.

Mr. LANCASTER.—Do you know whether there is anything in the letter that refreshes your memory as to any statements you want to make ? If so, we don't want to stop you.

The WITNESS.—No, thank you, Mr. Lancaster, there is nothing in it that I know, it is only with reference to his own company.

Mr. LANCASTER.—Then, I don't think you ought to read it. That is my own opinion. I don't know what the rest of the committee think.

The WITNESS.—Very well.

The committee rose.

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TUESDAY, April 16, 1907.

The committee resumed at 8 p.m.

Examination of Mr. Sprague continued.

By Mr. Sloan:

Q. I want to ask Mr. Sprague one or two questions about Mr. Michaelis. We have had a few questions here about a gentleman named Michaelis, do you know anything about that question at all?—A. Well, I remember the circumstances.

Q. You may explain your knowledge of that matter?—A. My understanding of it was that Mr. Michaelis was shipping lumber into the neighbourhood of Pense, where there were two of our members, and that he was shipping it in a way that we did not approve of, that is to the consumers at lower prices than the list. Mr. Marling and Mr. Wilkinson came down to Winnipeg, I believe, although I must admit I had forgotten the circumstances until it was recalled to my mind through the evidence, but my recollection of it is now that they came down there with this complaint. The Manufacturers' Company was formed at that time, and they were looking, to a certain extent, after the shipments of lumber for the manufacturers. Mr. Thompson came with them, and it was arranged, or at least I authorized the secretary to pay \$57, I think, or one-half the expenses of Mr. Marling to go to the Coast, not for the purpose though that Mr. Wilkinson would give the committee to understand. The understanding was that he would go and try to buy this stock of lumber from Michaelis, that is Marling was to go—

The CHAIRMAN.—That was one of the things he said.—A. No, he said he was to go and buy Michaelis off, which is a different thing.

Mr. LANCASTER.—It was a little discreditable, he said he was to buy him off or to buy the other men to break their contract with him?—A. There was no contract to break, because this was lumber that Michaelis had bought himself, and the only thing to do was to buy the lumber and ship it in in the ordinary way. The association had nothing further to do with it, neither did they authorize or pay any further expenditure. The only reason for paying the \$57 was that in my judgment I thought we ought to contribute something as two of our dealers were being interfered with in their business. Mr. Marling went out there, as I say, at the expense of the two associations, the Manufacturers' Company and the Retail Lumbermen's Association, which each paid one-half the expense. When he got there he could not buy this lumber, so he tried to get one of the dealers out there, a Vancouver man, the Brunette Saw-mill people, to sell him lumber at \$2 per thousand cheaper, which apparently they could not afford to do at that time, and when he failed in that, according to what Mr. Lewis tells me he wanted them to pay him \$50 on account of his expenses, so that that is the whole history of the transaction.

Q. He wanted who to pay him?—A. The Brunette Saw-mill Company.

Q. For what?—A. To contribute \$50 towards his expenses.

Q. What did he ask that for?—A. I do not know, that is simply what Mr. Lewis told me.

By Mr. Sloan:

Q. Where was this lumber coming from, do you know?—A. I really do not know, it was coming from the Coast some place.

Q. You do not know anything more about that question than what you have related to us?—A. No. I do not know anything more about it.

By Mr. Lancaster:

Q. What was your knowledge about the other half of the expenses?—A. I think the Manufacturers' Company paid the other half.

By Mr. Sloan:

Q. In February, 1904, I find an entry in the cash book, 'S. G. Marling for expenses to Victoria, \$114, less received from Manufacturers' Association \$57.' I presume that is the item referring to that payment?—A. Yes.

By Mr. Lancaster:

Q. The object of sending him out there to buy that lumber was to remove that opposition to the western retail dealers?—A. No, it was to prevent that competition with those dealers that were there at that place, they were the only ones interested.

By Mr. Knowles:

Q. You have said in your statement that the same prices prevail in Ontario as in the west, are you confident of that?—A. I understand that is the price, I have made inquiries.

Q. That it is the same price where?—A. In Ottawa, Toronto, that it is about the same price, I did not say that it was exactly the same price.

Q. Will you swear that it is within 10 per cent of it?—A. I would not swear positively.

Q. Practically you do not know?—A. I do not know exactly, but I believe prices are very nearly as high in Ontario as in the west.

Q. You believe so, but you do not know?—A. Well, I would not swear positively that it is as high.

Q. You simply do not know?—A. I do not know.

Q. So far as your own knowledge goes?—A. No.

Q. And you say the quality in Ontario is inferior to the quality in the west?—A. I say the quality in general use, that is in that class of lumber, they use hemlock here very largely, and hemlock is not as good lumber as red pine, or fir or as our spruce.

Q. How do you compare prices at all if they are different kinds of wood?—A. Well, of course, they have as good wood, but I am speaking of timber in use for the same purpose.

By Mr. Lancaster:

Q. I understand that we use hemlock here in Ontario for what they use pine out there?—A. Yes, we haven't any hemlock out there.

By Mr. Knowles:

Q. You said you thought this committee could justify its existence, or its creation, if it prosecuted such persons as were found committing offences?—A. Yes.

Q. For what offence could we prosecute that man?—A. Well, if he combined to unreasonably increase the price of lumber.

Q. Under what legislation?—A. I do not know, unless your Criminal Code covers it.

Q. Are you aware that in order to make a conspiracy it requires at least three?—A. I do not know.

Q. Are you aware it requires two?—A. I should think it requires two anyway.

Q. So, as a matter of fact, when you spread this on the evidence you really did not know what you were talking about, that is as to legal prosecution, did you?—A. Of course, I am not a lawyer.

Q. You do not know anything about prosecution for this?—A. I do not.

Q. Do you not think it is a little officious giving advice to the committee?

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House of Commons about prosecuting a man for conspiracy?—A. I do not know that it was officious.

By Mr. Lancaster :

Q. I recollect I insisted upon him telling me any reason he could give, and he gave me this—it was in reply to my question to which I insisted upon an answer?—A. In any case, I intended to be perfectly respectful to the committee.

By Mr. Knowles :

Q. Do you not think that to give such a suggestion and put it on the minutes of this committee, where everybody will read it, in regard to a legal matter, the most difficult to deal with that there is in legal practice, do you not think you were going a little beyond what your position as a witness required you to?—A. It is as Mr. Lancaster says, I only gave my opinion because he asked me for it and insisted upon my giving it.

Q. You are a prominent Liberal, are you not, Mr. Sprague?—A. I am afraid I have never been accused of that.

By Mr. Lancaster :

Q. You are not guilty of that?—A. I am not guilty of that, whatever else I may be guilty of.

By Mr. Knowles :

Q. You said you thought that would be one justification for the existence of this committee, what do you mean by that? You might give your statement, just to show that I did not misrepresent you. I think I recall your words correctly?—A. I don't know whether I used the word 'justification,' probably I did. I could not probably define exactly what I did mean. That is just the mode of expression I adopted.

Q. Do you think if you were in a court addressing a judge who was quite respectful to you, you would say to him, 'That is one justification for your existence or appointment'?—A. No, I don't think I would, and if I have offended in that respect I am very sorry.

Q. I don't say that you have offended?—A. As I say, I do not want to do anything or say anything that is not respectful.

MR. KNOWLES.—I want to know what you mean; I am giving you a chance to explain.

MR. CROCKET.—I don't think Mr. Sprague intended any disrespect.

WITNESS.—I certainly did not.

MR. CROCKET.—He said that at Pense there had been a combine, too.

WITNESS.—That was the view I had of it, that if the retail dealers got from 45 to 80 per cent profit on their lumber they would be getting too much.

By the Chairman :

Q. But the trouble at Pense is one effect of the formation of your association, constituted as it is?—A. I don't think so, because they could have got that profit without the association at all. If there are two dealers there and they had lumber and had customers they could get that profit from them; they could do it whether there was an association in existence or not. They could do it also in other places. I believe that in other instances too high prices have been charged to the consumer for lumber; I don't think Pense is the only one.

By Mr. Crocket :

Q. These dealers at Pense were members of the association?—A. They were members, yes.

By the Chairman :

Q. It all came about as the result of the supervision by your association?—A. Well, of course, I don't think so.

By Mr. Crockett :

Q. Did you make any statement, Mr. Sprague, with reference to the conduct of the Canadian Pacific Railway Company in relation to the association?—A. Well, that matter was brought up before the committee and I have Mr. Whyte's interview in reference to that and all the correspondence that took place in connection with it.

Q. That is between the Canadian Pacific Railway Company, Mr. Whyte, vice-president, and the association?—A. And myself.

Q. As president or as an officer of the association?—A. Well, no, I did not do it as president, but this correspondence has several illustrations of the price of lumber, that is the cost of lumber delivered at Winnipeg, and I don't know whether there were any other points or not, the prices realized to the manufacturer, the amount of freight that was paid on it, what it cost the consumer, and of course the profit that the retail dealer made out of it. I think that in view of this matter having been brought up if you will allow me I will put the statement in. It is quite lengthy and you will not care probably to have it all read, but it is something I can put in because I have knowledge of all the circumstances.

Q. Well, the matter has been gone into before the committee?—A. Yes.

Q. Have you got the correspondence there?—A. Yes, I have it all here.

Q. Well, I suppose that can go in and be made part of the record?—A. I think Mr. Chairman that there would be something in it because here is a statement of the number of cars in Vancouver on September 19.

By the Chairman :

Q. What correspondence is that?—A. With Mr. Whyte at the time he gave the interview as to prices.

Q. That they were going into the milling business?—A. Yes, they were going into the milling business.

The CHAIRMAN.—You can put it in if you have the whole thing.

‘EXHIBIT No. 158.

‘*Manitoba Free Press*, Winnipeg, Friday, January 8, 1904.

‘C.P.R. will fight lumber combine.

‘Railway company propose to establish big saw-mills and to offer lumber for sale through agents if present mill-owners and retailers do not come down to reasonable basis.

‘Vice-President Whyte interviewed.

‘Discussing with the representative of the *Free Press*, the matter of the probable immigration and development in the west during the coming year, Mr. William Whyte, second vice-president of the C.P.R., yesterday pointed out that the supply and price of lumber must have a marked influence on the movement of people to the west, Mr. Whyte stated that the first want of every settler before he can make a home for himself is lumber for his house and other buildings, and cheap lumber means a great deal to the newcomer. “Unfortunately,” said Mr. Whyte at the present time there is ample evidence that the owners of saw-mills and retail dealers in lumber are endeavouring to maintain high prices for lumber and surround the retail business with restrictions which tend to influence the market. It may be possible, as claimed, that there is no combine among the mill-owners, but there certainly is an arrangement with the retail dealers’ association under which that association dictates as to the location and number of retail lumber yards, and thus practically controls the market and dictates the selling price.

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‘May establish mills.

‘This is a serious condition of affairs when we recognize its bearing on settlement, and realizing its importance, the Canadian Pacific Railway Company have under consideration the establishment of large and up-to-date saw-mills of their own and offer lumber for sale through their agents, unless both the present saw-mill owners and retail dealers consent to handle the business on a reasonable basis of profit and without any attempt to maintain high prices by the continuation of the present combine methods.

‘The Canadian Pacific Railway Company, continued Mr. Whyte, are the largest landowners, next to the government, in Manitoba and the Territories, and have, therefore, a marked interest in the rapid settlement of the country. The company also own in their land grants to the British Columbia Southern, Columbia and Kootenay, and Columbia and Western Railways, a large percentage of the timbered areas in southern British Columbia, and by establishing their own sawmills and selling lumber through their present staff of station agents, are in a position to put this necessary commodity on the market at a very low figure.

‘There is no disposition on the part of the company to enter into competition with the present owners of saw-mill plants or retail dealers, provided they, recognizing the importance of the matter to the country at large, will sell lumber at a reasonable price, and give up the attempt to maintain high prices by “combine” methods, but unless that is done the company will certainly put in their own mills and deal with the matter as above outlined.’

MANITOBA FREE PRESS, WINNIPEG, MONDAY, JANUARY 11, 1904.

LUMBERMAN MAKES REPLY

To Vice-President Whyte's charges regarding alleged high prices by dealers and lumber-mill owners. Mr. Sprague submits statements charging inefficient service by the Canadian Pacific Railway.

‘Mr. D. E. Sprague, as one of the representative lumber dealers and mill owners of the west, and an officer of the Western Retail Lumbermen's Association, was asked by the *Free Press* on Friday to express his views on the interview with Second Vice-President Whyte published by the *Free Press* of that date, in which Mr. Whyte said his company had under consideration the erection of big sawmills and establishment of lumber marts, unless prices were reduced to a fair profit-bearing basis by manufacturers and dealers. Mr. Sprague declined to speak of the matter on such short notice, but intimated that he might be heard from later. Yesterday Mr. Sprague made the following statement:—

‘There has from time to time appeared in the *Press* much unfavourable and unjust criticism of the Lumbermen's Association, sometimes by politicians whose motive it may fairly be assumed was not any philanthropic desire to protect the public, but for reasons of a much more personal nature, either political advantage or personal gain. Other criticisms have been made by those originally members of the association who did not consider the rules and regulations sufficiently rigid to meet their views, and therefore sought such advertising as opposition to the association would give them. All such criticisms I have considered were not entitled to either answer or explanation. Now that a prospective competitor has appeared in no less a company than the Canadian Pacific Railway, through its manager Mr. Whyte, who gives a lengthy interview in the *Press* not complimentary to the association, it is only fair that the public should be given the facts. Mr. Whyte's unjustifiable statements may be due to the fact that for the past year or so he has not been so intimately connected with the operation of the Canadian Pacific Railway as formerly, and in consequence, would not have so great a knowledge of the conditions obtaining throughout the country regarding the lumber supply, nor the very unsatisfactory service provided by his company for the transportation of the necessary supplies, or it may be that Mr. Whyte

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has been misinformed by some of the other officials since assuming the active management of the road.

'I agree with Mr. Whyte to this extent that, next to the continual agitation in connection with the exorbitant freight rates and inefficient transportation facilities generally there is nothing probably which tends more to retard immigration than the bugbear of high-priced lumber and the difficulty in securing building material at a reasonable price. That it is a bugbear and not a condition can be easily established.

THE CANADIAN PACIFIC RAILWAY AS MANUFACTURERS.

'The Canadian Pacific Railway or any other railway company receiving government aids by grants of timber or other lands, has no right to enter into competition with private individuals in either manufacturing or business enterprises. This principle is generally recognized by governments, by refusing to grant permission in their charters. The manufacturers of lumber I am sure, would cheerfully welcome as brother lumbermen any Canadian Pacific Railway men who would invest their own capital and do business under the same conditions that the present lumbermen have to meet. This would be a very different proposition to Canadian Pacific Railway officials conducting a lumber business with Canadian Pacific Railway funds, and finally losing sight of the profit or loss in a general routine of the Canadian Pacific Railway profits.

'WORK OF THE ASSOCIATION.

'Previous to the year 1890 or 1891, the lumber manufacturers sold direct to the consumers throughout the country. This naturally took from the retail dealer the most desirable trade in his territory, and in many cases, renders it impossible for him to make a living. The trade generally was in a most unsatisfactory condition. The dealers realized that something must be done to save the capital invested and protect them from the unfair competition referred to. The manufacturers were in sympathy with the dealers in this movement, inasmuch that it improved the position of the retailer and enabled him to more promptly meet his bills. The association was therefore organized to protect its members from unfair competition, to collect and distribute among its members such information as may be of service to them, and generally in the interest of the retail lumber trade. To watch carefully the probable public requirements and endeavour at all times, through its members, to have at all points a sufficient stock of lumber to meet the demand.

'Among the first public services rendered by the association may be mentioned a reduction of 5 cents per 100 lbs. on the then existing rates on lumber secured through a letter dated about ten years ago and addressed to the General Passenger and Freight Agent of the Canadian Pacific Railway, which letter was presented by a deputation of the dealers urging action thereupon, and a further reduction was at the same time obtained by the dealers from the manufacturers, both of which reductions were given to the consumers.

'The following is a copy of the letter referred to :

'WINNIPEG, February 13, 1894.

"R. KERR, Esq.,

"General Freight and Passenger Agent,

"Western Division of the Canadian Pacific Railway.

"DEAR SIR,—At the annual meeting of the Western Retail Lumber Association, having membership of 150, and comprising all the retail yards of this province and the eastern part of Assiniboia, held here on the 12th inst., the question of the existing freight rates was discussed and a committee appointed to bring under your notice that the rates charged by your railway are excessive and burdensome.

'The committee chosen desire to submit for your consideration the cost and charges on lumber to the consumer; the price paid for rough lumber at the mills being the

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grade largely used by farmers per M ft. on cars is at Rat Portage, \$12, Fort William, \$10; and Columbia, \$8. The average freight thereon is, from Rat Portage, \$6; Fort William, \$10; and British Columbia, \$. The terms upon which lumber is sold are sixty days with freight as cash. Add to the wholesale cost at the point of sale the retail dealer's charge of say \$3, it will be readily seen that the cost of lumber is more than the consumers can afford to buy it at, and as a matter of fact so much so is this felt that very many farmers throughout the country continue to live in sod houses, and in more than half of the country, a few miles distant from the railway, the outbuildings are sod. In order to overcome this disability and improve the existing state of matters we ask you to make a considerable reduction in the freight rates charged upon lumber, and while we do so it is our opinion that a reduction in the price of lumber will vastly increase the demand for it, and to such an extent that in a short time the increased hauling of it will more than compensate your company for the lowering of rates. Following such increase in business, the retail dealer will be enabled to sell the lumber at a less percentage than is possible at present.

'We, as residents of this country, and having an established business in it, are greatly interested in its welfare, and know that the advancement and development of the country is of paramount importance to your company, seek to impress upon you the unfortunate position and the hard times now prevailing, and so much to be deplored; and while we may not claim to be worse off than the world generally, this is the portion of it that more closely affects our wellbeing. We feel with the natural advantages of the country and the assistance you can so readily extend in the way of cheaper freight, matters can be much improved.

'There can be no doubt that the high cost of lumber is of great consideration with the farmers in locating settlement, and the incoming stranger is most likely to at once feel the depressing influence upon him in the lack of proper buildings so general throughout the country, and which are so essential to good farming.

'We, as a retail association, feeling a like interest with your railway company in the advancement and settlement of the country, are prepared to guarantee any reduction made by you, which we feel sure will be made upon giving this matter your valuable attention, in freight rates, that the consumers shall receive the full benefit of such reduction in the cost of lumber to them. At present, we are withholding all orders for lumber that can be avoided, and should your decision in the matter be against lowering the freight rates, it will be necessary to continue the curtailment of our trade.

'Hoping to have an early reply from you,

'Yours respectfully,

'(Signed) BY THE PRESIDENT.

'It may be interesting to the public to note that ten years ago the association was as alive to the public requirements and necessities as the Canadian Pacific Railway appears to be to-day, and strangest of all, were appealing to this same Canadian Pacific Railway to reduce rates which seemed to be excessive and which was in consequence retarding the progress of the country, and this too, without prospect of profit to themselves except in the advancement of the Northwest.

QUESTION OF SUPPLY.

'About a year ago, the C.P.R. imagined they saw impending disaster unless they undertook to see to it that a stock of lumber was forthcoming sufficient to supply the incoming settlers, as set forth in the following letter written by Mr. Peters, asst. freight traffic manager, and addressed to Isaac Cockburn, secretary:—

"16th January, 1903.

"ISAAC COCKBURN, Esq.,

"Secretary Western Lumbermen's Association,

"Winnipeg.

"DEAR SIR —Referring to our general conversation on the subject of the movement

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of lumber into the Northwest Territories before trails break up, so as to enable newly-arriving settlers to obtain immediate supply of lumber, and get it out to their locations without delay.

"I am glad to learn that your association has realized the importance of this and that you have decided to make an extended trip through the district referred to for the purpose of meeting the dealers at all points and impressing upon them the necessity for immediate action. I will have our travelling freight agent accompany you and render all the assistance in his power.

"The position this company takes is that the early movement of lumber, as above explained is a necessity, not only in our interests, but in that of the country at large, and we feel that should the dealers at the different points decline to order for immediate shipment from the different mills for reason that the lumber may not be sold immediately on its arrival that we would be compelled to take some other means to get the lumber into the district. We do not desire to interfere in any way with the arrangements of your association, or the business of your members, and I sincerely hope that we will not be compelled in any way to do so, but as I have already said, the lumber must be moved at once. I need not say to you that on the opening of navigation, our power and rolling stock will be severely taxed to handle the large movement of grain to the lake front, and it will then not be so easy for us to supply cars at the different lumber mills, as it is at present. This is a further reason why lumber should move immediately.

"You brought up the question of whether this company could offer any inducement for this early movement in the matter of freight charges, and I have said to you, while we do not want to change our regular system in that respect, we would be prepared to consider a reasonable proposal in that direction, provided satisfactory protection would be afforded us, and that we should not lose our lien upon the lumber. In other words, at points where large quantities are required, and the dealers are not financially able to immediately pay our charges, and take delivery of the lumber, we might devise some means of allowing them to unload the lumber on our property, to remain in control of our agent, on the understanding that charges would be paid within a period of thirty days after arrival, if delivery was not taken and charges paid, prior to that period. Our travelling freight agent, Mr. Miles, will consider any proposal of this nature, and report the same, when it will receive our immediate consideration.

"It is, of course, understood that the lumber manufacturer would agree to give corresponding assistance to the dealers in the matter of longer dating on their bills. Let us urge upon you the importance of making your trip on the earliest possible date and wishing you every success on same.

"Yours faithfully,

"(Signed) F. W. PETERS,
"Asst. Freight Traffic Manager."

"Mr. Cockburn duly reported to the directors as follows :—

"WINNIPEG, February 10, 1903.

"To the President and Directors :

"I have to inform you that in pursuance of your direction to me, I proceeded on the 23rd of January, along with Mr. Miles, Canadian Pacific Railway travelling agent, to attend meetings of the dealers, which I had called for the purpose of bringing before them the purport of a letter received from the Canadian Pacific Railway urging importance and necessity of the dealers throughout placing their orders for lumber at once, for spring requirements.

"Meetings were held as follows :—

"Moosomin, Wolsely and Regina, the dealers there and outlying districts.

"Moosejaw, of the members there, and outlying points and dealers on the Soo line.

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"Prince Albert, of members on line of Prince Albert Railway and the manufacturers there.

"Calgary, of the members for Alberta. At this meeting, deputations were appointed, one to visit the manufacturers on the line of the Crow's Nest Pass Railway, and one to visit the manufacturers of the Coast, both for the purpose of placing this matter before them, and to urge them to take tangible action in assisting the proposed movement.

"In addition to the above meetings, I subsequently visited the dealers on the line of the Souris Railway, placing before them the desirability of ordering at once their spring requirements.

"It was urged at all the meetings the necessity and advisability of early placing orders for prompt delivery, a sufficient stock of lumber to meet the requirements of the early spring trade, and any exceptional demand likely to arise through incoming settlers.

"(Signed) ISAAC COCKBURN,
"Sec'y Treasurer."

"The directors of the association consider that their first duty is to the public. They therefore insist upon their members at all times, keeping a sufficient stock of lumber, to meet the public demand in their locality. With this object in view, they addressed the following circulars to their members, as early as July, 1902.

"WINNIPEG, July 29, 1902.

"To the active members of this association :

"Information having reached the directors that many retail dealers do not keep a stock of lumber commensurate with the requirements of the trade.

"At the meeting of the directors just closed, a motion was passed, instructing me to issue the following intimation :—

"That in all cases, where it is found that an inadequate stock of lumber is kept by an active member to supply the ordinary demands of trade at such points, any application for membership therefore, will receive due consideration by the Board of Directors.

"Yours truly,

"ISAAC COCKBURN,
"Sec'y Treasurer."

"WINNIPEG, February 4, 1903.

"DEAR SIR,—There exists a good deal of anxiety as to the sufficiency of lumber available for the incoming spring requirements, and in order that it may be more closely estimated, I take the liberty of asking the retail dealers to furnish me with the quantity of lumber held in stock on the first of the present month. I shall be obliged by you sending me the quantity of lumber you had in stock on that date, and also about how much more lumber you will require for your spring trade.

"Yours truly,

"(Signed) ISAAC COCKBURN,
"Sec'y. Treasurer."

"The report of the secretary's trip was that he convinced the dealers of the importance of having their stocks in early, and they placed their orders accordingly. He also secured the co-operation of the manufacturers to the extent of allowing additional time, to pay for the early shipment. The only party who failed to carry out their part of the arrangement was the Canadian Pacific Railway as shown by the following letters from Mr. Brown:—

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"ISAAC COCKBURN, Esq.,
"Winnipeg, Man.

"SASKATOON, February 24, 1903.

"DEAR SIR,—In reply to yours of the 4th inst., my absence at the coast prevented my sending you an earlier reply. My present stock is three cars shingles, 400 M. feet of lumber, and stock of sash, doors, &c.

"I have just returned from the West where I have been for the purpose of seeing for myself who have the material. Firms were accepting orders and promising prompt shipment, and nothing was coming in. I am glad to say I have procured about three-quarters of a million feet. This, with my stock on hand, I am satisfied, even if mine were the only yard here, would be sufficient to supply the demand until Prince Albert mills were running. If Canadian Pacific Railway were only as prompt in delivering the cars as they are in urging us to place orders, it would be more satisfactory. I cannot help thinking that shippers, on account of heavy rates and long delays, in delivering to these outside points, prefer to ship to points on main line, especially where demand is in excess of supply.

"Yours faithfully,

"(Signed) A. L. BROWN."

"SASKATOON, March 19, 1903.

"DEAR SIR,—I have been told to-day by a traveller that we are reported to be starving for lumber up here. This to a certain extent is true. There is no person that I know of who cannot get what he wants. But unless the railway company will bring material in, we shall certainly run out. I think it about time that complaint was made as to the serious condition of matters here. All the early part of the winter, the Canadian Pacific Railway were saying and urging us to buy material. We have bought and it is being and has been shipped. Yet, a car coming in here is an exception. Merchants are suffering for want of groceries. Coal has been out until yesterday for three weeks. I am suffering loss by firms refusing to allow me discounts as goods are not paid for within the thirty days, yet, if I pay for them it is likely as not that I may not receive them for another thirty days, and yet, I suppose if there is any shortage the blame will be laid on us.

"I saw myself three weeks ago, cars in Regina yard for me that had been shipped some time, probably they are there yet. They certainly are not here. Can you do anything at your end? I have written to headquarters myself, but seems to do no good.

"Yours truly,

"(Signed) A. L. BROWN."

"SASKATOON, March 20, 1903.

"DEAR SIR,—I wrote you yesterday, with regard to the disgraceful service we are getting in regard to delivery of cars of lumber or anything else. I wrote to Winnipeg some time ago, and have written again to-day to the general superintendent.

'Would this matter of delay be within your province after all the fuss they raised about our getting in a supply of material. From present indications we are in a hopeless muddle. What it will be later on is hard to say.

"We had a coal famine for three weeks, only relieved yesterday. Sugar, and such like articles have been an almost unknown quantity for weeks. I am told there are close to 150 cars at Regina awaiting to come up along this road, and the number increasing all the time.

"I thought it as well to advise you of this matter in time, so that if any shortage of lumber should occur, there is no blame to be attached to us here. The loss to me is serious. I am losing cash discounts. Money was paid out weeks ago on cars prepaid to Regina, and I have not the lumber yet.

"Yours faithfully,

"(Signed) A. L. BROWN"

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Referring to the above, Mr. Brown having failed to get his lumber forward, took the train at Saskatoon and came on to this city to endeavour, if possible, to get the authorities here to give such instructions as would be the means of the lumber being sent to him without further delay. When Mr. Brown reached here, he called upon Mr. Cockburn and stated the position he was placed in, through the detention in transportation of his lumber. Mr. Cockburn and myself called upon Mr. Lannigan and stated the unfortunate circumstances in which Mr. Brown was placed through the non-arrival of his lumber. Mr. Brown, on his visit here, and while at Regina, in looking through the yards, discovered that several cars of his lumber were lying on a siding. He at once drew the attention of the Canadian Pacific Railway local agent there to it, and was told that it was out of their power to get the cars so shunted as to take them on by the outgoing train. Mr. Lannigan, on being told of this fact, gave us the strongest assurance that Mr. Brown's lumber would be sent forward to Saskatoon at once. Mr. Brown returned home, feeling that he would have some relief in this matter, but to the surprise of myself and Mr. Cockburn, some days afterwards a telegram received from Mr. Brown informed us that the lumber was still held at Regina. This telegram was taken to Mr. Lannigan as a reminder that his promises had not been fulfilled.

If the railway company, after lumber is manufactured and loaded on cars, fail to get it to its destination within a reasonable time, what chance would there be for the early spring settler to secure his lumber when he required it, provided the same company undertook to supply the same demand from the tree? It would appear to the outsider that the company should first energetically address itself to providing an efficient transportation service, and when that is secured, undertake other industries that promised profit or pleasureable employment.

REGARDING PRICES.

In order that the public may see where their money goes, I append hereto statements of four cars of lumber imported by me over the Canadian Pacific Railway. These cars are not selected on account of the small profit shown, but because they cover a wide range of material. I invite Mr. Whyte to call at my office, when I shall be glad to verify these figures and the statements of forty or fifty other cars which would show similar results:—

STATEMENTS.

"C.P.R. car 35, 286 ex., Vancouver, September 19—

14,262 ft. 1 and 2 fig., at \$35.. . . .	\$499 17
8,217 ft. 1 and 2 fig., at \$30.. . . .	246 51
	<hr/>
	\$745 68
Less freight paid.. . . .	178 40

This car was matched fig. and kiln dried.. . . .	\$567 28
Two per cent discount.. . . .	11 35

Net returns to shipper.. . . .	555 93
Cost to retail dealer here.....	\$745 68

Cost to consumer—

14,262 ft. at \$44.. . . .	\$627 92
8,217 ft. at \$38.. . . .	312 24
	<hr/>
	\$940 16

Less 12½ per cent discount.. . . .	117 52
	<hr/>
	822 64

Net balance for dealer to cover handling, teaming, office expenses and profits.. . . .	76 96
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Manufacturer at Vancouver gets per M.	24 73	
C.P.R. gets for freight, gets per M.	7 94	
Retail dealer gets per M.	3 42	
	<hr/>	36 09

Cost to consumer—

Car 459, 64 ex., Vancouver, Oct. 7, 23,366 ft., 3 x 14 at \$21.70	507 04	
Less freight paid.	278 00	
	<hr/>	229 04

Net return to manufacturer—

Cost to retail dealer.	507 04	
Sold to consumer at \$22.20.	518 73	
	<hr/>	

Balance for dealer to cover office expenses and profit.		11 69
Manufacturer at Vancouver gets per M.	9 80	
C.P.R. gets for freight per M.	11 90	
Retail dealer gets per M.	0 50	
	<hr/>	

Total cost to consumer.		22 20
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Car 1440, 18 ex., Vancouver, Sept. 24—

20,451 ft., timber net.	463 31	
Less freight paid.	248 80	
	<hr/>	

Net return to manufacturer.		214 51
Cost to retail dealer.	463 31	
Sold to consumer.	512 31	
	<hr/>	

Balance for dealer to cover office expenses and profit.		49 00
Manufacturer at Vancouver gets per M.	10 48	
C.P.R. gets for freight per M.	12 17	
Retail dealer gets per M.	2 39	
	<hr/>	

Cost to consumer per M.		25 04
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Car X—New Westminster, June 4—

2,880 ft. at \$24.	69 12	
12,936 ft. at \$25.	323 40	
	<hr/>	392 52

Less freight paid.		166 00
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\$226 52

Less 2 per cent cash discount.	4 52	
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Net return to manufacturer.		\$222 00
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Cost to retail dealer.		392 52
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Sold at—

2,880 ft. at \$27.	77 76	
12,936 ft at \$33.50.	433 35	
	<hr/>	

\$511 11

Less 12½ per cent.	63 89	
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\$447 22

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Net balance for dealer to cover all handling, teaming, &c., and profit... ..	54 72
Manufacturer gets per M.... ..	14 03
C.P.R. gets for freight per M.... ..	10 50
Retailer gets per M... ..	3 46
Cost to consumer per M.... ..	\$ 27 09

Mr. Sprague concluded: 'The retailers' percentage of profit can easily be ascertained. It would be interesting to know what percentage of profit the Canadian Pacific made on the cost of hauling the above four cars from Vancouver to Winnipeg. It is quite apparent the man who pays the freight is not the man who robs the public.'

By Mr. Lancaster:

Q. Is there anything particular you want to explain about it?—A. No, it deals very fully with the whole situation, and the result of it was that finally the Canadian Pacific Railway Company, through its officers, went into an agreement with some of the Mountain manufacturers. The agreement you have—I don't know whether it is in as an exhibit or not—and just at that time there was another interview with Mr. Whyte, which you also have among the papers saying that the Retail Lumbermen's Association was at an end, that it was a thing of the past, and this resulted—this agreement resulted—in having the wholesale prices posted up in all the stations.

By the Chairman:

Q. Did Mr. Whyte give them any reduction?—A. I don't know personally.

Q. He talked of giving them a dollar?—A. I don't know personally whether he did or not.

By Mr. Lancaster:

Q. Does the correspondence that you have put in discuss the freight rates that he will charge under different circumstances?—A. It shows the rates that were paid on certain cars.

Q. Does it defend the rates he is charging or does it offer any lesser rate?—A. No, it says those were the actual freights that were paid.

By the Chairman:

Q. Before I forget it, there is a thing that comes to my mind because I had to do with it. You spoke this afternoon about getting one-half of your logs from the Rainy River. You get those by train?—A. By train, yes.

Q. You pay \$2.25 per thousand?—A. No, we pay more, we get them farther away.

Q. Farther than the Rainy River?—A. Yes, from Fort Francis.

By Mr. Knowles:

Q. Referring again to your statement which you handed in to the committee, I might refresh your memory by quoting your actual words. It is only fair to do so since the statement is here before us. Referring to the suggested criminality of the action of Mr. Wilkinson and other men in the village of Pense who had some 80 per cent or more profit on their lumber, you say: 'The parties thus combining are, I am advised, amenable to the law, and liable to be prosecuted, and if the lapse of time is not a bar to proceedings being instituted, should still be proceeded against if the statement made is correct'?—A. I probably should not have said that.

Q. Who advised you of that?—A. I could not say. That may not be it exactly, the wording may not be right there.

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Q. However, this statement is part of your evidence under oath?—A. I suppose it is.

Q. You swore to this statement being true?—A. Yes, I suppose I have a right to revise that now if the wording is not what a legal man would figure it should be.

Q. What you mean to say is taking this in a common sense interpretation?—A. A common sense interpretation.

Q. It is not only a statement that you wrote out but gives your proper interpretation of the truth?—A. Yes.

The CHAIRMAN.—Mr. Sprague has just said that is part of his evidence.

Mr. CROCKET.—Yes, but I say that part of the passage that Mr. Knowles has alluded to is an expression of views, of his own opinion.

By Mr. Knowles:

Q. Let me read it again, I am afraid you do not understand, 'The parties thus combining are, I am advised, amenable to the law, and liable to be prosecuted, and if the lapse of time is not a bar to proceedings being instituted, should still be proceeded against if the statement made is correct.'—A. Well, that is my opinion. It is my opinion of the case, I did not get any opinion from anyone else in reference to that.

Q. That is a very satisfactory explanation, that it is only your expression of opinion. Let me read this to you: 'The committee can, in this one case at least, justify the necessity for its appointment.'—A. That is an expression that may have been an unhappy one, but it is an expression that I made use of.

Q. The question I started to ask you about, and I would like to ask you again, is, can you give any reason why the vendors of lumber should be permitted to have a union or organization for the purpose of fixing prices any more than the sellers of any other commodity to the public?—A. Well, no, mark this, the vendors of lumber do not have an organization for the purpose of fixing prices.

Q. I will change the words 'organization for fixing prices,' because I understand those are the words you take exception to. Those who sold lumber in the city of Winnipeg, for example, met together and arranged what they understood would be the price at which to sell lumber?—A. Yes.

Q. And they did it in other towns last year. Now, is there any justification for that in regard to the selling of lumber any more than there is for the selling of any other staple commodity?—A. I do not know that there is any more than anything else. No, I do not think there is any justification for it, except that lumber is a commodity that varies very differently from lots of other things. In lumber there are certain grades, certain qualities of lumber that every person will know the price of. You buy different commodities in the store, and the purchaser, as a rule, does not know the value of them at all. Lumber is a very different article, however, and it is something that should have a uniform price, because there are uniform grades and uniform qualities recognized, and the prices should be uniform, and it should be a fair price, of course. That is the reason I think that they should have a price, and, of course, if they have a price where there are several dealers they have to meet together to discuss it in order to have a price list.

Q. Why not let the individual, the common man who is familiar with the trade, have his price and carry it out?—A. Oh, well, he certainly can do that.

Q. What can be the reasonable objections to allowing any man to buy from the wholesalers, whether he be a contractor or anything else?—A. Well, so far as contracting is concerned, it is a business that might at a certain time require a bill of lumber that can be bought in a carload lot, specified stuff that you can know what it is, and that if the customer prefers can be bought direct from the mill. There are lots of other persons in that same contracting trade that require the services of a dealer, a man that has a stock of lumber, because it will be bought in small quantities, small lots, and if the contractor for the larger bills were allowed to buy direct from the mill it would interfere very materially with the lumberman's busi

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Q. That is with the retailer's?—A. Yes. Then there might be some contractors who would be in a position to buy direct, and others who would not be in a position to buy direct.

Q. That would be no concern of the retailer?—A. Well, it would in this way, he would lose probably the best of his trade, the cash trade, and would probably have left for him the trade that he would have to carry for months. The very same thing applies to the farmer. We will suppose that a rich farmer who has the money and can go to the mill and buy just what he wants, if he could do that he would be getting his lumber cheap, but the other man, the farmer who could not afford to pay cash—the retail man is a necessary man in the community, I think we all admit that—if that were allowable then the other men who are less able to pay for their lumber than the man who gets it wholesale, would of necessity be obliged probably to pay a higher price than he otherwise would if the retail man had lost this good man's trade, because the retailer would lose that much trade, and would have to add it on to somebody else.

By Mr. Herron:

Q. That same argument applies to all other lines of business?—A. But the poor man who needed the assistance of cheap lumber would be the man, that is my impression, that would be loaded with the heavy price.

By Mr. Knowles:

Q. Leaving him out and accepting your concern for the poor man the only reason for saying that the wholesale man should not sell to anybody but dealers is the desire to preserve the retailers' business?—A. Well, of course, I think ultimately that is the reason.

Q. You think that is a fair reason for keeping up this limitation upon the commerce in lumber?—A. Yes, I do.

Q. For the sake of preserving the business of the middleman?—A. I do, I think the lumber business, so far as the manufacturer and distributor of lumber is concerned, should not be any different to any other business.

Q. That is what I would think myself?—A. Yes, now I do not think the manufacturers in almost any line—I do not know of any line in which the manufacturers will sell direct to the consumer, and I think that lumber is the one commodity that has fewer profits to pay than almost anything else.

Q. Do you think, for example take leather, which is a very large item of expenditure, a man goes into a tannery with the money in his hand, can he buy leather?—A. I do not know as to that.

Q. Let him go into a foundry, cannot he buy iron?—A. Yes, well——

Q. If he goes into a place where they make silk can't he buy silk?—A. I do not think so.

Q. Cannot he go into a factory abroad and buy silk or into a cotton factory and buy cotton?—A. I do not think so.

By Mr. Lancaster:

Q. Can't I go into a wholesale grocery in Winnipeg, lawyer as I am, and buy \$1,000 worth of groceries to-morrow?—A. I do not think you can.

Q. I can in St. Catharines?—A. I can't say this of my own knowledge, but I was told that a hotel man who bought his liquor from a wholesale grocer for years wanted to buy his groceries for his hotel from this same wholesaler and they would not sell to him.

By Mr. Knowles:

Q. Did he offer cash?

By Mr. Lancaster:

Q. Where was that?—A. That was in Winnipeg. This was a wholesale firm and it forfeited this man's business, and it was considerable, rather than sell groceries to—

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him direct. I do not know for how long they lost it, I do not know whether they have got it back yet or not, but the firm lost it just because they would not sell to him.

Q. Take the wholesale dry goods, do not they sell to anybody?—A. No, I do not think they do.

By Mr. Crocket :

Q. The wholesale dry goods firms in our country will sell only to the retailer and the same with the wholesale grocer, while in regard to lumber we have very few lumber yards there and we buy direct from the mill.

By Mr. Lancaster :

Q. I would venture to say that if I were going to hold a political picnic, I could go into Hamilton to-morrow and get \$1,000 worth of groceries from the wholesale grocer, who would not care a rap whether I was in the trade or not.

By Mr. Crocket :

Q. You have a mill yourself, do you sell to the wholesale trade?—A. Wherever a manufacturer is situated the manufacturer always sells retail.

Q. That is what seems strange to me, down in our country we have lots of mills there, and they sell direct to the consumer, we have no retail dealers there at all?—A. That is the custom in any place I know where the mills are located. They sell to the retail trade, but of course they sell at retail prices, so that it does not make any difference.

Q. That is at your price that is fixed by the association, you agree with the others in that point?—A. No, our price is not fixed by the association, it is fixed by the dealers.

Q. By the local dealers?—A. Yes, by the local dealers.

Q. Twelve of whom at Winnipeg are members of the association?—A. Yes.

By Mr. Knowles :

Q. Your opinion is that it would not be proper for the millmen to sell to the consumer direct even if he went to him direct with the money in his hand, because it would be unfair to and be an interference with the middleman?—A. No, that is not exactly the idea. I do not think it would be proper for him to sell to the consumer direct because it is not the properly recognized way of doing business, that is manufacturers selling to consumers. That is business—

Q. Then if they buy in wholesale lots?—A. It does not matter. That is a business ethic the same as you may charge some person with violating professional etiquette.

Q. It is pretty expensive ethics?—A. It may be but it is fair.

By Mr. Lancaster :

Q. That is one of the objects of your association, is it?—A. Probably Mr. Chairman if you will allow me I could tell you what my idea of the objects of the association are very shortly.

Q. In regard to that point what is your answer?—A. My answer is this : Among the members of the association there are, of necessity, four or five hundred members of different opinions as to its objects. We are getting new members all the time. During the last fourteen or sixteen years the association has been in existence, we have been getting in new members and some of the newer members I think do not understand the objects of the association or understand the necessity for its original organization as well as the older ones. I may say, to be perfectly frank with you, that some members, before our annual meeting was held, called on me—those were line yard men—and asked me to come to a mee

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secretary attend to the arrangement of some prices along some of the lines in which they were interested. I told them then that so far as my idea of the objects of the association were concerned, fixing prices was not one of them and that I would not give authority for the secretary to interfere in that at all, that they could fix their own prices, that that was not the object of the association. Of course they did not agree with me, but it was not done—the secretary did not do it—and so long as I am connected with the association and have anything to say in its management it won't be done.

Q. If the fixing of prices is not in your opinion one of the objects, I want to know what, in your opinion, the association is for?—A. I can explain that. That is what I am going to say now.

Q. Is the preservation of the trade for the retailers and the prevention of consumers buying direct from the manufacturers one of the objects of the association?—A. That is one of the objects.

Q. Very well, now, in regard to what you said just now to Mr. Knowles, do you think that is a natural and proper thing to do?—A. I think it is proper in any case.

Q. You thought it would be the natural thing for the association to accomplish that object?—A. Yes, but if you will allow me, I was going to say that having this experience with the newer members, the line yard men, I thought that at the annual meeting it would be a proper thing to review the reasons which led to the organization of the association and give them my views of its objects. Now that is what I did, and if you will allow me I will read it.

By Mr. Knowles:

Q. You give your word it is correct?—A. This was my annual address.

By Mr. Lancaster:

Q. It is not only what you said, but what you believed to be true?—A. I believed this was true, certainly.

Q. When was this delivered?—A. On February 13, 1907. This occurrence was before that. Now this is what I said in my annual address on the date mentioned (reads):—

'It may not be amiss, in view of the constant admission of new members who are unfamiliar with earlier conditions, to briefly review the circumstances which led to the formation of the association; in fact rendered its organization almost imperative if the retail lumber business was to be placed upon a satisfactory basis and the public furnished the best facilities for procuring lumber, one of the first and probably the most important commodities required by the new settler. At this time'—

That is the time when the association was formed—

'the demand for lumber was not large, the number of dealers greater than was required to do the business, and as a result, too many ill-sorted and incomplete stocks, customers in many cases financially weak and not able to pay their accounts. Then after these the poaching or sale by manufacturers to the retailers' customers direct'—

Now that, to my mind, is one of the principal points—

'and you have a condition which existed when this association was formed. In short, a business unsatisfactory and often unprofitable alike to the retailer and manufacturer of lumber.'

Now as to the manufacturers:

'The manufacturers were in sympathy with the objects of the association, realizing that it would tend to improve the financial standing of their customers, the retail dealers, and place the trade generally upon a more satisfactory basis, and theoretically, at least, to discontinue one of the universally recognized customs of trade, namely, selling direct to the customers of the retail dealer in the same line, and who might also be a customer.' Now that, to my mind, is one of the great objects in the formation of the association.

By Mr. Lancaster:

Q. In other words, the object is protection for the wholesaler and the retailer?—
A. Yes, the trade was in a very bad condition when this association was formed. There is no question about it.

The CHAIRMAN.—What you said a moment ago in reference to prices does not agree with evidence given formerly. For instance, Mr. Cockburn said very strongly that one of his paternal characters was to see that the members did not charge too much, and that the price lists, after being fixed, were returned to him for his opinion.

By Mr. Lancaster:

Q. Supposing your idea of the objects of the association was carried out, would not the result be to limit trade, to restrict trade in a sense of limiting it to a few people who would be concerned in it?—A. Well, I don't know that it would.

Q. To what extent I would like you to say?—A. Here is another clause in my address that I would like to read—

Q. I would like you to say whether you do not think your association, if its objects were carried out as you understood them, would not have the effect of restricting the number of people who would go into the lumber trade?—A. It might have that effect.

Q. It would, would it not?—A. It probably would, but at the same time I do not think it would interfere with the public service or with the price of lumber. Now, one of the witnesses, one of the early witnesses, Mr. Green, stated in his evidence—

Mr. KNOWLES.—One of the farmers?—A. One of the farmers thought that one yard would be better than two under certain conditions, and I quite agree with him in that. One yard where there was only a limited sale of lumber would be ample to supply the requirements, and in that case I think it would be better than two yards, for the reason that there would be only one living to be made out of it and one set of expenses to be paid, and, if the profit put on was right, it certainly would be to the advantage of the customers that there should be only one yard.

By the Chairman:

Q. But your association was to be the judge as to whether there was room for one or two?—A. This is another reason for the formation of the association (reads):

The most important duty to my mind, undertaken by the association was through its members to provide at all points occupied by members, a sufficient quantity and assortment of lumber to meet the present requirements and if the rules of the association were not violated at a reasonable price.

Now, I think that is quite right and it is borne out by anything that the association has ever done.

By Mr. Lancaster:

Q. Is that another way of saying you wanted to regulate the output so as to guard against a possible slump in price?—A. What I mean, is that there would always be a good stock of lumber available to the public at any point—

Q. It also means not too much at any point?—A. And that they would not charge an excessive price for it.

Q. And had you not also in your mind to guard against prices going down by reason of there being too much lumber on hand?—A. Too much lumber? No, I never heard that view of it.

Q. You do not know anything about there being an equal desire to prevent a slump in price?—A. No.

Q. You might regulate this thing so that while you secured a reasonable price the price would not go down, might you not?—A. No.

Q. Because you know the market might be overstocked and there might be a necessity for selling cheaper because you might need the money?—A. That would be a business matter for the dealer himself, keeping a sufficient stock on hand.

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Q. I want to understand if you mean by keeping a sufficient quantity of lumber at a reasonable price that you did not also have in mind keeping up the price as well as the quantity of lumber?—A. Well, I do not know that I follow that.

Q. Do you mean to say you do not know, but in your mind, you believe that they agree with you, as to what the objects of the association were in regard to this distribution, that there would be always enough lumber at each point to supply the demand. You also have in mind that there would not be too much there so that there will not be a slump in prices?—A. No, I do not think so.

Q. You think not?—A. As long as there is sufficient to meet the requirements.

By Mr. Crocket :

Q. As president of the association was not one of the objects not only to limit the sale to retail dealers, but to limit them to members of the association?—A. Originally up to a certain point.

By Mr. Herron :

Q. Up to what point, Mr. Sprague, what date?—A. When the honorary members all withdrew.

By Mr. Lancaster :

Q. Here is a letter here addressed to yourself that I will ask you about, I will not ask you about other letters, but here is a letter addressed to yourself in February, 1906, one or two months after all these fellows withdrew when you think there was a great change?—A. Yes.

Q. You seem to have thought yourself that it did not make any change, that you were still entitled to some protection in that way as you would have been when these men were honorary members, because this letter is written to you and quotes what the man understood to be your complaints, some one, I presume, sent it to him. The letter is dated February 19, 1906, and is signed by the Export Lumber and Shingle Co., Ltd., Vancouver, B.C.

‘We beg to state that we are in receipt from Mr. Thomas Kirkpatrick of a letter from yourself to him in regard to the Export Lumber and Shingle Company, and its connection with the Western Retail Lumbermen’s Association. We note that the substance of your letter is,—unless we join the above-mentioned association it will be impossible for you to place any more of your valued orders with us. We beg to state that this is a great surprise to us for this reason, that all the manufacturers and the shippers from the Coast of British Columbia withdrew from membership in your association at the beginning of last year, and since that time, so far as we can learn, no manufacturer or shipper from this Coast has belonged to the Western Retail Lumbermen’s Association. This being the case, we cannot for one moment understand why you should single us out as a firm that must join the association before we can be favoured with your trade, and we suppose, as you are president of the Western Dealers Association, it would mean that we would be shut off from the trade of other members of your body. This looks to us something approaching what is called a boycott. We may say that in a list of members received from Mr. Cockburn, dated August 30, 1905, our name was down on the list as being in “harmony” with the association. We have not been favoured since last August with a revised list, and if we are out of harmony at the present time we do not know what the cause is, unless it be a couple of shipments which we made last year, and which it may be pertinent for us to advise you of.’

And then he tells you about these two shipments, one of which was a car of shingles to Scott and Balkwell, of Gilbert Plains, near Dauphin, and the other was a car of lumber to the Western Manufacturing Company, of Regina. He then goes on:

‘We may add in this connection that we know that the Pacific Coast Lumber Company did business with the Western Manufacturing Company, of Regina shortly after we

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had shipped this car; we also know for a fact that shipments of lumber have been made to contractors in Saskatchewan, as we turned the orders for the lumber over to the mill. It would, therefore, appear that if we made a mistake some of the largest shippers on this Coast have also made mistakes in shipping to those other than regular dealers. In conclusion, we may state that we are entirely willing to fall in line with whatever action is taken by the majority of manufacturers and shippers from the Coast of British Columbia, but we cannot for one moment think that you will expect us to join your association unless other shippers out here do the same. You particularly mention the name of the Union Lumber Company; we think you will find, upon looking into the matter, that they have not joined your association.

'Hoping for a continuance of your valued orders during the present year,

'We are,

'Yours truly,'

A. What is the date of that?

Q. February 16, 1906, that is one year and two months after these men had all withdrawn in a batch?—A. That is right, I do not understand that letter at all.

Q. This is written to you: 'We beg to state that we are in receipt from Mr. Thomas Kirkpatrick of a letter from yourself to him. &c.'—A. Are they wholesalers?

Q. You ought to know, are they not?—A. I do not know them.

Q. The letter is written to you.

Mr. COCKBURN.—They are brokers.

Q. They say that your complaint to them is that they sold to other than a retailer, and that unless they join the above named association it will be impossible for you to place any more of your valued orders with them.—A. I cannot understand that, Mr. Lancaster, because there were no manufacturers members of the association at that time.

Q. Your name is mentioned here in another letter from the Export Lumber and Shingle Co., Limited, H. H. Spicer, manager, and is dated at Vancouver, February 22, 1906, addressed to Mr. Cockburn:—

'DEAR SIR,—We thank you for your letter of the 19th inst., and are glad to note the contents of same.

'In reply to your letter and also to your circular of January 31, we beg to say that it will afford us pleasure to work in harmony with the members of the Western Retail Lumbermen's Association, and we would esteem it a favour if you will send us a list of the names of the members of your body.

'Would it be asking too much of you to speak to Mr. Sprague and inform him that we are in harmony with your association, and are therefore so far as this is concerned entitled to his trade or to the trade of any member of the association.'

Now, there apparently this man understood that he was in exactly the same position, if he was in harmony with the association, as he was when he was an honorary member?—

A. I do not know anything about the circumstances of that letter, except this, and I think I have stated that to the committee, if I found that he was a manufacturer of lumber and was selling to a contractor or a consumer direct I would certainly withdraw my trade from him. As far as I am concerned I feel perfectly certain that I never asked him to join the association.

Q. He thinks you did?—A. But if he was a manufacturer he could not join our association.

Q. It is true, bearing out what you said a moment ago. He goes on to say that while it is quite true he was not a member of the association yet he was on the list of those who were in harmony with the association and therefore thinks he is entitled to the same business from you as if he was still a member, as long as he remained in harmony, that because the manufacturers withdrew from the association it did not change their position?—A. If he has not followed what I assume to be the business principle in selling his lumber he would not get my business. But if he did not get my

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business any other man could buy from him, it is a matter for each individual to decide whether they will buy from him or not.

Q. But doesn't it work out this way, that if he is not kept on the harmonious list he will not get the business ?

By Mr. Herron :

Q. I have right here a list of letters, I suppose twenty of them, from all over, which prove most conclusively the very thing you are talking about at the present moment, that is that a man cannot buy lumber unless members of this association.

Mr. KNOWLES.—What dates are they ?

By Mr. Herron :

Q. January, February and March, 1906. Now, here is what I take to be the tail end of a very important letter, I would judge it to be so, I would consider it very important in view of what we have heard. It is signed by George P. Wells, who is the secretary-treasurer of the Mountain Lumber Manufacturers' Association. I am sorry I have not the first page of the letter, but this part of it reads as follows :—

'to whom to ship. It is very important that I be supplied promptly with a full list, and also additions to your membership as they occur. If this is done I think that I can assure you that all of our members will restrict their shipments to recognized dealers, and any mill not doing so will be dealt with in a businesslike manner, upon being reported and verified.

'I understand that the Pioneer Lumber Company of Moosejaw have purchased a considerable amount of lumber from the Sparwood Lumber Company. The latter are not members of any manufacturers' association, and consequently should be eliminated from your purchasing list. If the former firm are members of your association, action should be taken against them in this matter.'

Now, here are a whole lot of letters backwards and forwards between Mr. Wells, secretary of the Mountain Mills Association, and Mr. Cockburn, secretary of the Retailers' Association, and every word of them is just along that line ; that they will not sell to men unless they are members of the Retail Association and recommended by your association ?—A. That letter as you read it does not say 'recognized dealers'?

Q. Well, it says 'recognized dealers,' but these other letters go further and state that they must be members of your association ?—A. Well, that is not the case because there exists a great number of lumber yards that are able to buy lumber. This man that I spoke of to-day, Mr. Shields, has twenty lumber yards. He keeps a supply of lumber, and I think he can buy lumber just as freely from any mill as any member of the association. That was the pronouncement at the time this Whyte episode occurred ; that they would sell to any recognized dealer regardless of their membership in the association, and I think that they have adhered to that.

By the Chairman :

Q. The evidence is all the other way unfortunately ?—A. Well, if so—

By Mr. Crocket :

Q. I called your attention this afternoon Mr. Sprague to a resolution that was passed in 1906 ?—A. Yes.

Q. It is in the minutes produced that resolutions were passed against sales to non-members of the association ?—A. Well, I will grant you this : I would like to have every retail dealer a member of the association.

The CHAIRMAN.—You pretty nearly have them all.

The WITNESS.—We had not anything to do with outside dealers, with dealers who are not members.

By Mr. Lancaster:

Q. You had something to do with the Manufacturers' Association?—A. I don't think so.

Q. Mr. Cockburn, secretary of your association, wrote officially to the secretary of the Mountain Millers' Association and seemed to think it was his business to keep the two associations in harmony?—A. Well, I think that is right. I certainly think there should be harmony between the manufacturers and the men who distribute their product.

Q. And the associations would pay salaries to these men for the same thing?—A. Yes.

By Mr. Knowles:

Q. Still you say your association has no desire that the mill men should confine their sales to members of the association?—A. I think we would prefer that they should.

Q. Do you try to make them do so?—A. No.

Q. Still you adopt resolutions to that effect?—A. I don't remember what that resolution referred to is. I would like to see it again to ascertain what it does say.

By Mr. Sloan:

Q. While they are hunting up the resolution for which you have asked, I want to draw your attention to a letter of the Export Lumber and Shingle Company, Limited, which has been read before. In its terms it suggests that shutting them out of trade because they will not join your association is a boycott. Do you state positively that you will not buy lumber from a manufacturer who sells to a contractor or a consumer?—A. I say that I would not if I could get my requirements from anybody else.

Q. Then these people, in calling the action of the retailers a boycott, I suppose, are using a fairly legitimate term?—A. I do not know. As far as I am concerned that is the position I take—I would not buy from them, and I think I am quite justified in doing that.

By Mr. Lancaster:

Q. Your object would be to confine the trade to members of the Retail Association?—A. My reason is that I do not think these outside men are conducting their business upon recognized business principles as between the manufacturer and the dealer.

Q. What you call recognized business principles in that particular instance is confining it to the retail dealers?—A. Yes, the retail dealers.

By the Chairman:

Q. I asked you a question this afternoon, Mr. Sprague, about what the logs cost you, and it appears to be very unfortunate that you cannot answer it. It also appears to me very singular, because you have told me that you get about one-half of your logs over the Canadian Northern from Rainy river. Surely you know what those logs cost laid down?—A. I do not, Mr. Greenway. That may appear to you to be very unbusinesslike.

Q. You pay so much a thousand freight?—A. Yes.

Q. And the only other thing is the cost of getting the logs out. There is no manufacturer who has been before the committee who is not able to give us some idea as to that, and it is very important in your case, because you are in Winnipeg, at a distributing point. It is a more important retail concern than we have anywhere else in Manitoba.

Mr. KNOWLES.—It is a very unique concern—at the same time a manufacturer and a retailer.

The CHAIRMAN.—Therefore it is very important for the committee to get this information.

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By Mr. Knowles:

Q. Do you keep separate books for the wholesale and retail parts of your business?
—A. I do not sell by wholesale, but the lumber that I manufacture and the lumber that I buy, the expenditures are so mixed up that I have never attempted to keep them separate, and that is why I cannot tell what their respective costs are.

Q. Do you know which pays you the best?—A. I do not.

By the Chairman:

Q. You were a great many years running that log business before you sold much lumber. I think, if I remember correctly, you have been running that business for a great many years?—A. Not from the points that I am running it from now.

Q. What do you say?—A. Not from Rainy River points. From there I have been getting in logs for only two years, I think.

By Mr. Lancaster:

Q. You manufacture before you retail, do you not?—A. I manufacture and retail at the same time.

Q. Was there never a period when you manufactured without retailing?—A. No.

By Mr. Crocket:

Q. In selling direct at your mill to all purchasers, regardless of whether they are retail dealers or not, is that in contravention of the rules and by-laws of the Retail Dealers' Association?—A. No, it is not in contravention of any rules that I know of, or it is not in contravention of what we consider proper in business. Wherever a man's mill is located he always sells to retailers.

Q. That is understood?—A. That is understood.

Q. That a member of the Retail Association who has a mill can sell direct?—A. He can sell direct, in his own locality.

By Mr. Knowles:

Q. I asked one witness a question on a previous occasion in regard to a supposed secret order of lumbermen. On that occasion I said I had a letter from a citizen out west asking—I do not think there is anything in it myself, but in justice to the writer of the letter I want to put the question—if there was a secret order called the order of Black Cats. My correspondent had the idea, which in my opinion was erroneous, that the order in question existed for the purpose of fostering exorbitant prices. Is there anything in that that you know of?—A. I am not a member, Mr. Knowles, and of course I could not give you any information as to that.

Q. You were never blackballed, were you?—A. I would not take chances of going there with the boys.

By Mr. Lancaster:

Q. Is there not seriously an association of that kind?—A. There is—I don't know what they call it, an order of lumbermen. Yes, it is called the 'Hoo-hoos.' It is exclusively social in its character.

By Mr. Crocket:

Q. It is a social club, is it not?—A. Yes, and they wear a button with a black cat on it.

By Mr. Knowles:

Q. Well, is there any other association of the kind?—A. No.

By Mr. Lancaster:

Q. Does the Black Cat Association seriously do anything in regard to lumber prices?—A. No.

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Q. It is purely a social organization ?—A. Purely social as I understand it. As I say I am not a member of it.

Q. If this organization were seriously taking any action in regard to the lumber trade you would hear of it, would you not ?—A. I think so, yes.

By Mr. Crocket :

Q. I have now a resolution at page 280 of the minute book of the association which you desired to have brought to your attention. On May 29, 1905, this resolution was submitted (reads) :

‘ Moved by Davidson,

‘ Sec'd by Robson, That the secretary-treasurer in making out lists from time to time of the wholesale firms and manufacturers, drop off all who are not in accord with the general requirements of the association in their trade relations, from the leaflets recording those in harmony with the association members, and withholding therefrom all members who sell to non-members or consumers or contractors.—Carried.’

—A. Well, that resolution was carried apparently. You will notice it refers to consumers or contractors.

Q. There is an interlineation here? The words ‘suspended independent dealers’ are struck out and the words ‘non-members’ are written above it ?—A. I would like to see the book please (book handed to witness). This is July 26, 1905. ?

The CHAIRMAN.—You will see it is not 1905 ?

By Mr. Crocket :

Q. It is the minutes following the meeting of May, 1905, I think it is a meeting of the executive.

By Mr. Lancaster :

Q. You were vice-president that year ?—A. Yes.

By the Chairman :

Q. This is 1906 ?—A. No, it is in 1905.

Q. How can it be 1905 when you have July, 1906, just preceding it ?—A. July 26, 1905, that is all right.

Q. This is May ?—A. No, excuse me, it is July 26, 1905. This is July and these minutes were confirmed on that date, I signed them on July 20, 1905.

By Mr. Lancaster :

Q. You were vice-president then ?—A. Yes, I was vice-president, you see these minutes were confirmed in July, 1905, and these were the minutes of May 29, 1905.

By Mr. Crocket :

Q. These are the minutes of the proceedings of the executive committee held at the office of the secretary in the McIntyre block, Winnipeg, on Monday, May 29 ?—A. Yes.

Q. And these were the previous minutes ?—A. Yes, these were confirmed at the same time probably, July 26, 1905.

By Mr. Lancaster :

Q. They could not have been confirmed before they happened ?—A. Certainly not.

Q. It was after they happened that they were confirmed ?—A. Certainly they were.

By Mr. Crocket :

Q. And that date at the bottom is the date at which they were confirmed ?—A. Certainly.

Q. And that is July 2, 1905 ?—A. Yes.

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Q. And these minutes follow and are dated May 29, without indicating the year? Do you say these were in 1905?—A. Yes.

By Mr. Sloan:

Q. There must have been a lot of minutes confirmed at the one meeting?—A. Yes, that is the way it was.

By Mr. Crocket:

Q. This was after the manufacturers had withdrawn from membership?—A. Some of them I think, I do not know whether they had all.

By Mr. Lancaster:

Q. You say that you were at that meeting and that you are vice-president?—A. Yes.

Q. That is why you signed the minutes?—A. That is why I signed the minutes.

Q. Then you put the resolution, I suppose?—A. Yes.

Q. Then if you put the resolution, I suppose you would realize the aim of it when you put it?—A. I fancy so.

Q. You do not want to qualify in any way the minutes, do you?—A. No, I do not, I do not want to qualify it at all, these minutes evidently passed as they were recorded.

By Mr. Knowles.

Q. I understood you to say a moment ago that you did not approve of the system that confined the sales to members of your organization instead of to bona fide dealers?—A. To bona fide dealers, certainly.

Q. To whom you limited by a former motion, to the members of your organization?—A. Because, as I say, the association would prefer to have the sales confined to dealers.

Q. I understood you to say a moment ago that in your opinion that ought to be spread out so that bona fide dealers could get it?—A. As a matter of fact, the resolution may pass as it is, and correspondence may pass between the secretaries of the two associations, and they might attempt to do lots of things, but what I say is that the facts are that any recognized dealer can buy all the lumber he wants from the mills.

By Mr. Lancaster:

Q. The only way to reconcile your statement with the minutes is that you say the association was going too far, that as an association it was too harsh in control over them than was exercised individually?—A. I do not know that I can reconcile that, because I would prefer that they sold only to members.

Q. As I understand it you would never have gone so far as to restrict the trade as it was by the association, that is if you had been individually doing it, and that is the only way I can reconcile the action of the association with your statement and with what you think. You must think that the association went too far in its restrictions?—A. Well, of course the association went a good deal farther than that in the way of restricting previous to that date.

Q. As a matter of fact, you would not have restricted half as much as they did, as I understand it?—A. I think the association would compel the manufacturers, if they could, to sell only to dealers.

Q. And more than you would individually?—A. Yes.

By Mr. McIntyre (Perth):

Q. When you say dealers you mean members?—A. Well, I think the association would prefer to sell to dealers only.

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By Mr. Lancaster:

Q. I pointed out to you that the restriction that the association put on it was to limit it to members of the association?—A. Yes.

Q. Now then, the result of it, it seems to me was that you individually considered they were going too far in their restrictions, although you were bound by it as president of the association?—A. I do not just remember that circumstance, because my impression is, I know for a fact, that they do sell and that they have sold since then.

Q. I want to see if we understand each other's mind. You never thought it was right to restrict the sales any farther than to restrict them to dealers whether members of the association or not. You would still allow them the same liberty, that is your individual opinion?—A. Yes, up to the time the honorary members withdrew, now, after that, I think your construction of that is right, that after they withdrew and announced that they would sell to dealers, if they were dealers, that the sales should not be restricted beyond being limited to retail dealers.

By the Chairman:

Q. This is a year afterwards?

By Mr. Lancaster:

Q. I want to see if our minds are one on this. Do you think it was intended they could sell as long as they sold to legitimate dealers, even if they were not members of the association. That was your idea, that they should be allowed to sell to all legitimate dealers without being obliged to limit it to members of the Retail Lumbermen's Association. That was the point you were trying to impress I think?—A. I do not think that is exactly right: when the manufacturers all withdrew from honorary membership they had a lot of independent dealers, that is yards that did not belong to the association, and I think, the association at that time decided that any man who was in the lumber business and who was a dealer, could become a member of the association, and I think that, probably, is the reason of that resolution, that any of them who did not take advantage of that and did not become members should not be allowed to buy lumber.

Q. Should not be considered a legitimate dealer?—A. Should not be considered a legitimate dealer, I think that is the construction to be placed on that.

Q. That is that your association was not going to put a wide meaning on the word 'legitimate' that if he was a real legitimate dealer he did not have to be a member of the association, but going further, and saying 'we will decide that anyone who is not a member of the association, is not a legitimate dealer,' that is the construction they put on the legitimate?—A. I think that is all right, always with this qualification, that at the time the honorary members withdrew anyone engaged in that line of business could obtain membership in the association, no matter how many yards there were in the place.

By Mr. McIntyre (Perth):

Q. There is another point with regard to the possibility of obtaining membership?—A. Yes.

By Mr. Lancaster:

Q. Then I understand this, that as far as the retailers, the retailing of lumber is concerned, and the wholesalers, they are more restrictive after the period when the wholesalers withdrew from honorary membership than they were before. That is as to the dealer being able to obtain lumber. Because you have pointed out before the wholesalers withdrew they sold to any legitimate dealer, whether he was a member of the Retailers' Association or not, despite their honorary membership?—A. Yes.

Q. Then of your own accord you have drawn out attention to the fact that it was after they had withdrawn from honorary

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tion the restriction was still maintained that a man could not buy from the wholesaler unless he was a member of the Retailers' Association?—A. Our restriction was always on, Mr. Lancaster, but they did sell to anyone and that was the cause of the friction, that was the cause of the trouble between the manufacturers and the retail dealers. The cause of the trouble was that the manufacturers were selling, and several independent yards were selling to anybody they saw fit. And not only that, but the retailers were buying from everybody.

Q. Yes.—A. Now, when they withdrew the Retail Association would accept any yard as a member that was established at that time.

Q. Yes—So that—

By the Chairman:

Q. The association would accept him as a member, but he had to become a member?—A. There was not any restriction as far as membership was concerned.

By Mr. Lancaster:

Q. The manufacturers who were on friendly terms with the association were only to sell to members and the members were only to buy from wholesalers who were friendly to the association?—A. That is what the association was proposing to do according to that resolution, but, of course, as a matter of fact, they sold to everybody they liked.

By Mr. McIntyre (Perth):

Q. They did so in spite of the retail association?—A. They did so in spite of the resolution. Of course it is one thing to pass a resolution and another thing to give it effect.

By Mr. Crocket:

Q. At any rate that was a specific instruction to the secretary to strike off the membership list any wholesaler who would sell to any other than a member of your association?—A. Well, I do not know, whether in practice any were struck off the list.

Q. But the secretary was instructed to strike them off?—A. Yes, that is right.

By the Chairman:

Q. Is there anything else you would like to say?—A. There is one other matter I would like to speak upon. The question of duty has been mentioned, and I would like to put in a letter to the Hon. Mr. Fielding from myself when he was out getting information for the tariff revision. Now this is of interest to the committee because it is a comparison of the prices that obtain on the Canadian side and those that obtain on the American side at that particular time?

Q. When was this?—A. This was on December 13, 1905. It was a little earlier than that when the commission met at Brandon. Mr. Cameron and I appeared before them and I made the statement that there was not any case for a duty at that particular time because the price of lumber on the Canadian side of the line was cheaper than on the other side. That, of course, was promptly disputed by several who were there, and I promised Mr. Fielding that I would send him a letter and give him the lists.

By the Chairman:

Q. What verification have you of that, Mr. Sprague?—A. Of this letter?

Q. How are those figures prepared. You speak of two sets of prices?—A. It is my own letter and the price lists were sent to the Minister. I have a copy of the letter and the price lists.

Mr. LANCASTER.—If Mr. Sprague swears his letter is true I suppose it would be

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The CHAIRMAN.—There is no part of it would be evidence to us.

Mr. SLOAN.—If the tariff commission would accept that as evidence, what objection is there to it being received here?

Mr. LANCASTER.—I understand the witness to say the letter contains some facts or figures and that is why he wants to put it in?—A. Well, I will read the letter if you do not mind (reads):—

EXHIBIT No. 159.

DECEMBER 13, 1905.

Hon. W. S. FIELDING,
Chairman Tariff Commission.

DEAR SIR,—In accordance with my promise to the commissioners when I appeared before them at Brandon in justification of my statements that the price of lumber was lower on this side of the line than from competitive mills in the United States, I enclose herewith two price lists: one issued by the Pigeon River Lumber Company, of Port Arthur, and the other by the Grand Forks Lumber Company, of Grand Forks, Minnesota. There is no discount from the Pigeon River list except for cash, although there has been a slight reduction as shown by notice attached to the price list. The Grand Forks list is subject to a discount as per notice attached to that list, and effective on the 5th instant. I certify these lists to be the ones which I am buying the extra lumber necessary for my trade. The prices in both cases are, of course, f.o.b. cars at Winnipeg, which is a competitive point and has been the largest market for American lumber. The lumber in most common use both in Winnipeg and at country points is:—

2 x 4 to 2 x 12—12 to 20 ft.

Shiplap No. 2 and 3.

No. 2, 3 and 4 boards.

Below I give some examples of the difference in price:—

American list—

2 x 4—12, 14 and 16..	\$21 25		
Less reduction December 5..	1 00		
		\$20 25	

Canadian list—

2 x 4—12, 14 and 16..	17 50		
		\$2 75	

American list—

2 x 6—12, 14 and 16..	\$21 25		
Less reduction December 5..	1 00		
		\$20 25	

Canadian list—

2 x 6—12, 14 and 16..	17 50		
		\$2 75	

American list—

2 x 12—12, 14 and 16..	24 25		
Less reduction December 5..	1 00		
		\$23 25	

Canadian list—

2 x 12—12, 14 and 16..	20 00		
		3 25	

American list—

No. 2, 8-inch shiplap—12, 14 and 16.. . .	\$24 25		
Less reduction December 5..	1 00		

23 25

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Canadian list—

No. 2, 8-inch shiplap—12, 14 and 16.. . .	\$19 50	
Less reduction..	1 00	
	<hr/>	18 50
		<hr/>
		4 75

American list—

No. 3, 8-inch shiplap—12, 14 and 16.. . .	\$20 75	
Less reduction..	1 00	
	<hr/>	\$19 75

Canadian list—

No. 3, 8-inch shiplap—12, 14 and 16.. . .	\$18 00	
Less reduction..	1 00	
	<hr/>	\$17 00
		<hr/>
		\$2 75

American list—

No. 2, 10-inch boards—12, 14 and 16.. . .	\$23 75	
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Canadian list—

No. 2, 10-inch boards—12, 14 and 16.. . .	\$19 50	
	<hr/>	\$4 25

American list—

No. 3, 10-inch boards—12, 14 and 16.. . .	\$20 75	
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Canadian list—

No. 3, 10-inch boards—12, 14 and 16.. . .	\$18 00	
	<hr/>	\$2 75

American list—

No. 4, 10-inch boards—12, 14 and 16.. . .	\$16 75	
Less reduction December 5..	1 00	
	<hr/>	\$15 75

Canadian list—

No. 4, 10-inch boards—12, 14 and 16.. . .	\$14 50	
Less reduction..	50	
	<hr/>	\$14 00
		<hr/>
		\$1 75

By the Chairman :

Q. You took those figures from the lists?—A. Yes, from the Canadian list and the American list. Now if the committee would care for it I have the price list here as to lumber in Minnesota.

By Mr. Lancaster :

Q. What year is that for?—A. About the last of December, 1905.

By Mr. Herron :

Q. Before going on with that can you tell us whether the lumber trade is mostly controlled by associations over there?—A. I don't know.

Mr. HERRON.—We have been told it was.

By Mr. Crockett :

Q. Is the price list you spoke of a minute ago one that was sent out by a particular mill in Minnesota?—A. It is a fir price list. This is the price list of December 20, 1906, and I think the committee have a corresponding price list for the Rat Portage mills of about the same time. This would go into competition with pine.

The CHAIRMAN.—We will attach the two together if they are of the same date?—A. They are of the same date. And here is the price list giving a price to the consumer of 2 x 4, 2 x 6, 12 to 16 feet lumber in Dakota.

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By Mr. Lancaster :

Q. Is the Minnesota price list a wholesaler's price list ?—A. No, this is the retailers.

Q. The Minnesota one?—A. Yes. 2 x 4, 2 x 6, 2 x 8, 16 feet is \$32.

By the Chairman :

Q. I thought you said that was the consumer's price ?—A. This is the consumer's, \$32. The other is the wholesalers. This is Grand Forks, Minnesota.

Q. That is the wholesale price list ?—A. That is the wholesale price list.

Q. Is that by the association or by a particular mill ?—A. The Grand Forks Lumber Company apparently, it will be a mill.

By Mr. Herron :

Q. You can hardly tell whether that is a fair comparison.

By the Chairman :

Q. If you have something from the Rainy River or the Rat Portage to compare with it it will be all right ?—A. What is the date of that Mr. Chairman ?

By the Chairman :

Q. December 20, 1906 ?—A. Here is one for December 15, 1906.

Q. Is that a Minnesota one?—A. No, a Rainy River.

Q. Well, we will take it for comparison ?—A. You can compare those prices, I have not compared them.

(Document filed as Exhibit No. 160.)

Q. They are both wholesale price lists ?—A. Both wholesale price lists.

Q. Of the same date ?—A. The same month, one on the 15th and one on the 20th. The retail price here for 2 x 4 and 2 x 8, 12 to 16 feet long, is \$32, that is the Dakota list.

By Mr. Sloan :

Q. What is the date of that ?—A. March 10, 1907. There is a memorandum on this list under the clause 'Miscellaneous' that there is no discount, these prices are on the cash basis.

By Mr. Crocket :

Q. Who is that from, what price list ? Is it an association price list ?—A. Well, I will see.

Q. Is there any heading to it ?—A. No, I will see what they say about it. This is what they say, 'We enclose herewith a retail price list that we have in effect at this point in North Dakota,' this list is the average retail price asked by the lumbermen generally, it is from the North Star Lumber Company of Minneapolis, Minn.

Q. Do you know if they have any association in Minnesota ?—A. The lumbermen have an association, yes.

Q. Have the wholesalers ?—A. I do not know, Mr. Crocket. There is a retail lumberman's association in Minnesota but I do not know whether it covers Minnesota or two or three states.

Q. And do you take it that this would be an association price list ?—A. I do not know.

By the Chairman :

Q. This is a company price list ?—A. That is the North Star Lumber Company's price list. I just put this in for the information of the committee. I have not compared them myself except to just look over t^l_____

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By Mr. Sloan :

Q. I want to ask Mr. Sprague about the refusal of the application of the Gillespie Lumber Company at Brandon. I see you were present at that meeting ?—A. Yes.

Q. I would like you to explain why these people were refused this application, they appear to be lumber people. It was brought up by Mr. Fowler ?—A. The Gillespie Lumber Company of Brandon ?

Q. Yes.—A. I think everything in connection with that, all the facts in connection with it, are in evidence. I must say that personally I would have been in favour of granting them membership, but that is a matter in which the association was governed by the majority.

By the Chairman :

Q. Mr. Cockburn told us it was because they were contractors ?—A. Yes, they were contractors, that was the reason given why they should not be accepted.

Q. There were five directors at that meeting ?—A. Yes.

Q. And they refused this application, and I see another one was refused at that time.

By Mr. Lancaster :

Q. You say it was because they were contractors ?—A. Yes, that was the reason given.

By Mr. Sloan :

Q. This is the reason, 'On the ground that they are not regular retail dealers and do a contracting business which is not in accordance with the constitution and by-laws.' Then there is another application from Robert Morrison for membership at Beresford, 'be not granted.' The information being given that there is not sufficient lumber sold to warrant it.'

By the Chairman :

Q. To warrant what ? What is this that you are reading about ?

Mr. SLOAN.—It is the minutes of a meeting on the 10th of July, 1906.

By the Chairman :

Q. There is another question on that point that you are just giving us and that is as to the quantity of lumber. That was one thing you told us a little while ago that there was no question about the quantity of lumber with regard to the number of members at any point ?—A. No, no, excuse me, if I gave that impression it was entirely erroneous because I certainly could not say that because we have always adhered to the rule in accepting our members. We will not accept them unless we think there is room enough for an additional yard.

Q. I thought you said that after the withdrawal of the manufacturers everyone could come in ?—A. Oh, no, I say that the manufacturers could sell to anybody whether they were members or not, and they have done so.

By Mr. Sloan :

Q. Are there any other yards at this point, at Beresford ?—A. I think so.

Q. Do you say that the manufacturers will sell now to anyone ?—A. They are doing it, Mr. Herron.

By the Chairman :

Q. We cannot get a bit of evidence in support of that, that is the unfortunate part of it.

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By Mr. Lancaster :

Q. And the resolutions are all against it.

By the Chairman :

Q. And there are the letters, every letter we read, there are 100 letters there?—

A. If it is the fact that there is at least one company, we will confine ourselves to one company, now if it is a fact that one company conducts 20 yards and can get all the lumber they want, that they have no difficulty in securing that lumber, and they say themselves they have bought from nearly every mill at the coast and in the mountains, and that they have done a business which according to their own letters, they are on file, that they have \$200,000 of outstanding accounts amongst farmers, if that is a fact, that that has occurred, that they are doing business and that they are not members of the association, and yet if that fact does not go for anything then of course there is no use in giving evidence.

By the Chairman :

Q. We have no evidence of that.

By Mr. Herron :

Q. There is no evidence of that kind.

By Mr. Lancaster :

Q. We are in this awkward position, that the efforts of the individual and the efforts of the association both seem to have been directed towards doing away with that very thing, which you say exists. They have always said by resolution, by their efforts in all sorts of ways, that it should stop!—A. But I know it does exist. It is like the man in jail, he is there.

Q. They have done their very best to stop it.

By Mr. Herron :

Q. They have gone further than that, they have fined them?—A. They have never fined them since they were honorary members.

Q. One man has paid a commission?—A. Yes, one man paid a commission.

Q. Because he had by chance shipped some lumber to a man not a member.

By Mr. Sloan :

Q. I think you paid commission yourself and said so?—A. Yes, but that was long ago. I do not want to be misunderstood. If a manufacturer sent a car of lumber to a customer where there is a member doing business the secretary would probably suggest that the manufacturer should pay the dealer a commission, and if he does that it is all right. If he does not, there is no remedy, that is all.

By Mr. Crocket :

Q. You penalize them now by striking their name off the list—A. Yes.

Mr. SLOAN.—The penalty now is the boycott of course?

The CHAIRMAN.—We are just having the same experience with this witness that we had with Mr. Heaps. He told us over and over again that they would sell to anybody and shortly after he left here we obtained a lot of his own letters saying he would not do anything of the kind.

Mr. SLOAN.—He had been doing it, but was reported for it

The WITNESS.—It is all right. Notwithstanding all the evidence you have that they cannot buy, the fact still remains that they do buy.

Mr. CROCKET.—But the effort of the association is to prevent it.

The CHAIRMAN.—Yes, to prevent them

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By Mr. Lancaster:

Q. The fence is there, but they keep breaking through?—A. Yes.

The CHAIRMAN.—Evidence was given as to not allowing another yard at a point if there were not sixty cars sold.

By Mr. Lancaster:

Q. Did you ever hear of that sixty car rule?—A. There never was any definite number of cars. We just figured that sixty cars would entitle a point to two dealers.

By Mr. Sloan:

Q. I find a letter here from the Export Lumber and Shingle Company, Limited, dated Vancouver, December 10, 1906, and addressed to 'Isaac Cockburn, Esq., 703 McIntyre Building, Winnieueg, Man.' It reads as follows:—(Reads)

'In reply to yours of the 5th instant, relative to our having shipped shingles to the Saskatchewan Distributing Company, we beg to state that we have never shipped them any shingles, but we have shipped them some lumber, and we assure you we consider that they were entitled to receive the lumber from us as we understood they were dealers. We will, however, look into the matter, and if none of the other responsible shippers out here or in the Mountains are selling to them, then we will not do so, but we do not think that you can fairly expect that we should refrain from making shipment to parties in La Prairie when other responsible concerns are shipping to them. We desire to assure you it is our wish to work in line and be on friendly terms with the retail trade.'

That is an answer to a letter of which the following is a copy (reads):

'DECEMBER 5, 1906.

'Messrs. the Export Lumber and Shingle Company, Vancouver, B.C.—

'GENTLEMEN,—I am informed that you are shipping shingles to the Saskatchewan Distributing Company, Regina, a firm which really means the Haslem Land and Investment Company. The selling of lumber and shingles to this company is inimical to the interests of the retail dealers, and we trust you will give this matter the consideration that is necessary.

'Yours truly,

'_____
'Secretary-Treasurer.'

That is signed by Mr. Cockburn. It would appear from this that the Export Lumber and Shingle Company were perfectly willing to sell to dealers, but that they were being called to time for doing it?—A. Yes, but those are not dealers. That is some little difference.

Q. They understood they were dealers?—A. Of course they may have made a mistake and shipped to some who were not dealers.

Mr. SLOAN.—I just read that to show the apparent intention on the part of these people to sell lumber and shingles where they thought there was an opportunity of doing it.

Mr. HERRON.—I think that word 'dealer' has been used right through this correspondence for the purpose of covering over another word that would be open to a different construction. I notice from the letters before us that the secretary of the Millers' Association asked the men he was corresponding with not to use the word 'legitimate,' but to speak of 'non-members.' I would judge that in accordance with that piece of advice the letters were so worded?—A. I suppose so.

The CHAIRMAN.—They used to have the term 'legitimate' in reference to dealers and then they discarded it.

The WITNESS.—They simply called the man what he was, a non-member, that is

Mr. HERRON.—Because it sounded better.

The WITNESS.—I don't think it.

Mr. LANCASTER.—It was not much better in view of the resolutions that we have heard read.

The WITNESS.—This word 'dealer' is used by some one else, not by the association. No doubt the firm thought that the person to whom the lumber was shipped was a dealer by the amount shipped to him.

Mr. SLOAN.—Have you anything else to say?—A. The committee have asked the other witnesses if they had any suggestions to make in regard to any method of cheapening the price of lumber.

By Mr. Lancaster :

Q. I asked you that twice and you said you had none?—A. I have in a way. I would like to say this: I really do not see any possible chance, or method, of cheapening the lumber from the manufacturer. If a manufacturer gets out his stock and has his lumber on hand and there is a big demand for it he will get a good price no matter what happens, and similarly with the retail dealer whether there is any association or not.

By Mr. Crocket :

Q. If there is any competition?—A. If there is any competition. Supposing there were three or four yards at a point. If they had a good stock of lumber and transportation facilities, for instance, are disturbed they will certainly get a high price for lumber. No, I do not see any way of reducing the price from the manufacturer because the demand for his product will regulate that. The profit charged by the retail dealer could be regulated, but in order to do that the only way, I think, is through an association and through the Western Retail Lumbermen's Association. That will probably be amusing to you, but I think that is the only way. At the risk of being criticised I will read my idea of it, and then it can be put in if you will permit it.

By Mr. Lancaster :

Q. Do you think the retailer's profit can be regulated by an association so as to cheapen it?—A. To cheapen it—that is to make it fair and make it uniform. I will give you my views and you can take it for all it is worth.

Mr. HERRON.—That is not usually what men do when they can control the price of an article, make it cheaper.

Mr. LANCASTER.—It will be very valuable if he can show us that.

A. Of course the reason I say that the cost of production is not the ruling or any other factor in the price is this: we will take for example a man raises a horse that matured three years ago and sold it for \$100. He raised one that matured this year and sells it for \$200. It would not be reasonable to suppose that because it didn't cost him any more than the one he got \$100 for that he was not to get more than that for the other horse. Of course he will get it because there is a demand for it and it is the same with a man's lumber. He may produce his lumber cheaply, but on account of the demand for it he may get a good price. In the same way it will cost him as much to produce it, to get a stick of lumber at any other time, but if there is not a great demand for it he will be obliged to sell it cheaper. That was the situation with the western manufacturers for a long time, and I think they had a very difficult time of it in conducting their business, because I do not think they got a proper price for their lumber as that Eaton bill would indicate where a man would only get \$7.74 per thousand on the cars for 11,800 pieces of 3 x 14 x 18. That would indicate they were not getting a fair price for their lumber.

Q. Now, show us how the association by amending their by-laws could improve that?—A. I say (reads :

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EXHIBIT No. 161.

‘There is no way of making lumber cheap when the conditions surrounding its manufacture and sale are conducive to high prices. The most potent factor in establishing such conditions is prosperous times and periods of great demand, as, for example, when there is only 1,000 feet of lumber for sale and two customers who want 1,000 feet each. There is, however, a practical means of preventing the retail dealer from exacting an exorbitant profit from the consumer and of maintaining a reasonable uniformity in the retail price of lumber throughout the west. If we are to believe the evidence given before your committee as to the profits realized by dealers at certain points—’

I think the evidence goes to show there are some points, and this is one, at which prices were unusually high; I think there were anyway——

‘any remedy which would tend to prevent such recurrence in the future through a combination of dealers at any point should receive earnest and careful consideration.’

‘The Western Retail Lumbermen’s Association has always been the subject of adverse criticism from the time it was made to do duty in providing an excuse to have the duty taken off lumber, a matter which I have referred to before, down to the years until a Royal Commission was appointed to examine into its affairs. (The commission was returned, no evidence having been presented to the commissioner.)’

I would just like to make an explanation about that Royal Commission. There was a Royal Commission appointed to examine into the affairs of the Western Retail Lumbermen’s Association. That commission met in Winnipeg.

By Mr. Crocket :

Q. What year was that ?—A. I forgot the year. It was four or five years ago I think. There was no evidence produced before the commission, and it was returned. Now the parties who were expected to give evidence, if I am correctly informed, were responsible for the agitation that led to the appointment of the commission and before this were members of the Western Retail Lumbermen’s Association. The reason they withdrew from that association was because it was not sufficiently restrictive in its character to suit them, that is to say, the other members in Winnipeg, and that is the reason they left the association, was because the other members allowed or admitted to membership three of the best firms in the country—to membership in the Retail Association in the City of Winnipeg. Those three firms were the Rat Portage Lumber Company, the Keewatin Lumber Company, and the British Columbia Mills Timber and Trading Co. The chairman knows all these companies and they are probably the largest mills in the country, and that was their only reason for severing their connection with the association, because it could not protect them, as they said, in their business. There is no wonder, these being the facts, that there was no evidence placed before the commission.

Q. Was this commission appointed by the federal government or by the provincial government?—A. The appointment was made by the federal government. ‘Subsequently it was brought into prominence by the management of the Canadian Pacific Railway, the particulars of which you already have in evidence, until now when it is incidentally the subject of inquiry by your committee. You will understand that while I do so with the utmost confidence, it is with a certain amount of hesitancy that I put forward the suggestion that through the operation of the Western Retail Lumbermen’s Association, with the co-operation of the manufacturers, is the only practical means of maintaining uniformity at a fair margin of profit to the dealer. This, I take it, is all that can be desired, in any case it is all that can reasonably be asked. In order to accomplish what at present appears so difficult of solution, all that is necessary is for manufacturers to sell only to dealers, members of the association.’

Now, this, it appears to me, is something it will be difficult to get you to agree with, unless you consider it in connection with our by-laws.

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‘All regular dealers can become members, and after becoming members, if they violate the constitution or by-laws to which they subscribe when joining by charging a larger profit than the maximum provided for in the by-laws, their membership could be cancelled, and as conditions are at present——’

Because, as the conditions are at present there is no possibility of a man embarking in the lumber business who has not got the money to buy the lumber from the Canadian manufacturers, because that is the only available source of supply.

‘Their membership could be cancelled and as conditions are at present would go out of business and give place to a less avaricious dealer. I wish to point out that this remedy will only be effective as long as the conditions surrounding the manufacture of lumber in northwestern Canada and the northwestern States are in a normal condition, for should anything occur to disturb the trade to the south, the manufacturers would dump their lumber on the Canadian market as heretofore, and it would not be material to the dealer whether he retained his membership or not if he could get his supplies cheaper probably from other sources than Canadian manufacturers. It will be apparent that in order to provide for this contingency it will be necessary to have a duty on lumber. The amount of the duty is not important, 10 cents per thousand if you like on lumber now on the free list, just sufficient to bring it under the operation of the dumping clause in the Customs Act. Such a duty would not prevent the legitimate importation of lumber, but would be a protection when dumping is being practiced.’

‘That a nominal duty should be imposed is not an unreasonable request. The provisions of the dumping clause must have been found necessary in respect of other manufacturers. Surely it cannot be held that the lumber industry is not entitled to the measure of protection it affords. If your committee which is engaged in investigating the lumber trade from manufacturer to consumer can make a report to parliament as will induce the government to so amend the Customs Act as to secure to the lumber manufacturer the benefit of the dumping clause alone, you will have been instrumental in securing a measure of tardy justice for a most important industry, and, in my belief, rendering a service to the consumer of lumber also.’

Now, there is just one point in that as regards duty. That really is not necessary now, as the other day I went into the question of the duty, and I found that the new act provides that free goods are subject to the dumping clause as well, but only to the extent of 15 per cent. I do not know if that would be sufficient, so that the dumping clause really does now operate where free goods are concerned.

‘In making this suggestion the operations of the association would differ greatly from the functions performed by it now.’

This is what I understand the association does at the present time.

‘1. The association has no control whatever over prices or price lists. These are made by the individual dealers, or group of dealers, whose interests are common, such as the same freight rate and therefore the same wholesale price upon which to base theirs. The only notice the association would take on the price would be if complaint should be made about prices being too high or too low. The association would then remonstrate with the dealers and try and have prices adjusted. In case of refusal, the association could of course cancel their membership, but that would have no effect as any dealer can buy lumber as freely not being a member as by being one.’

That is what I believe to be the fact.

‘2. The association has no control over its members regarding the parties from whom they shall buy. They can buy from the Mountain Association, the Coast Association, Independent Mills, from the United States or any place they choose.’

I do that myself, I buy from Washington.

‘The association encourages them to buy from manufacturers who observe what it considers proper business methods in the sale of their product.’

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That is the point, that is that they are not to sell to either consumers or contractors. You will understand what I mean by that, I mean they can sell if they want to but it is purely a matter of personal opinion as to what are proper business methods.

'3. The association has no control over the manufacturers in the matter of making sales. They can sell to members of the association, non-members for independent yards doing business and who get their supplies as freely as members do. Or they can sell to contractors or consumers, it is purely a matter of personal opinion as to what method of doing business they consider the proper one. The principle of selling to dealers only is generally regarded by the manufacturers of lumber as by manufacturers in other lines, as the proper one, and, I think, is generally adhered to.'

'The consumer of lumber has no cause to complain as it pays fewer profits than any other manufactured article, I can call to mind; only the dealer intervening between the manufacturer and himself, while in the case of sugar, tobacco, &c., there is the grower, the manufacturer, the manufacturer's agent, the wholesale merchant and the retail merchant.'

'While, as stated before the association does not attempt to control its members regarding from whom they shall buy, still, I am free to say that personally and quite apart from any association affiliations, I would not buy from a manufacturer whom I knew to have sold to a contractor or a consumer, except where his mill was located, if I could procure my requirements from any one else and I believe that retail dealers generally, whether association members or not, are largely governed by the same principle.'

'Your committee will therefore see that the Western Retail Lumbermen's Association does not, nor has it the power to exercise the control over the trade which public opinion, encouraged by selfish interests, both political and personal, has given it credit for, and I submit that if it did, the isolated instances of extortion would occur less frequently, if at all. This phase of the situation is entitled to some consideration.'

Now I really think that is the only possible solution.

By the Chairman :

Q. We have that now and it is of no use?—A. That is a difference of opinion.

Mr. HERRON.—I think that your theory might work out if you could change human nature but that theory would not be practicable in any other way.

Mr. LANCASTER.—Or if you had a government official president of your association to see that you did regulate prices down as well as up?—A. Well that would be all right.

Mr. SLOAN.—I move that Mr. Sprague, and also Mr. Cockburn be discharged from further attendance.

Mr. T. A. BURROWS, M.P., sworn.

By the Chairman :

Q. Do you want to make any statement to the committee?—A. The only statement I want to make is this: Some members of the committee stated to me that letters had been received here charging that my firm refused to sell to any person outside of a retail lumber association.

By Mr. Lancaster :

Q. What is the name of your firm?—A. T. A. Burrows.

By the Chairman :

Q. But what is the firm's name?—A. Well, T. A. Burrows. I am interested in two firms T. A. Burrows and the Northern Lumber Company. The charge was that my

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firm refused to sell to anybody outside of the Retail Lumbermen's Association. I asked Mr. Greenway to show me the letters in question, and he did so. Well, the letters do not contain any complaint at all. The complaint is by a dealer, a retail dealer, to the secretary of the association to the effect that we did sell to parties outside of the association.

The CHAIRMAN.—It is just a misunderstanding.

The WITNESS.—Well I will read the letter if you like.

Mr. SLOAN.—You may read it and you will have it on the records.

By Mr. Lancaster:

Q. Who is it from?—A. It is from W. M. Carment. It is written from Kamsack, Saskatchewan, which is a town about sixty miles west from my mills, at Grand View. It is dated 12th March, 1907, is addressed to Alan M. Stewart, secretary of the Retail Lumbermen's Association, Winnipeg, and reads in part as follows (reads):—

'DEAR SIR,—I am to-day in receipt of your letter of the 8th instant *re* my complaint as to Burrows and others selling lumber in this town to parties who are not dealers. I may say there have always been two lumber yards in this town, and had Burrows confined himself to selling to the other yard although they are not in the association, I would have made no complaint, although, according to the rules of the association, I would be justified in doing so, but the offence in this instance was particularly gross. Mr. Miles was not a dealer at all.'

'This car is the only car he has had and it was sold at prices that demoralized the trade.'

Now this is the complaint against me which was interpreted, I suppose, by cursory reading, into a charge that I refused to sell to any person outside of the association.

By Mr. Lancaster:

Q. What you mean to tell us is that you did sell?—A. Yes

By Mr. Sloan:

Q. Who is the writer of that letter?—A. W. M. Carment, and he complained of me for having sold the car of lumber to a man named Theodore Miles. Theodore Miles who lives in the town of Kamsack, who is not a dealer, but a consumer.

By Mr. Lancaster:

Q. He might have complained and you would not have done it?—A. Well, I sold the car to him myself personally. There are lots of matters in connection with my mill that I don't know of personally, but I know the circumstances in this case, because he came to me personally and complained he could not get lumber in the town, and I sold him a car at wholesale.

By Mr. Sloan:

Q. What explanation did he give for not being able to get lumber?—A. He said the yards did not keep the stock.

By the Chairman:

Q. This is a consumer you were selling to?—A. This is a consumer.

By Mr. Lancaster:

Q. Would you have sold that lumber if he could have got it in the town?—A. We would prefer not to. As a matter of business, we don't care to sell to outside parties.

By Mr. Crocket:

Q. Are you on the friendly list of the Retail Lumbermen's Association?—A. Well, I am a lumberman, and I think all the manufacturers are on the friendly list. I don't know whether I am on it or not.

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By Mr. Lancaster:

Q. You say you would have preferred not to sell to him had he not stated the fact that he could not get it in the town?—A. I would prefer not to sell. That is our business principle.

Q. Would you have sold if he could have got it in the town?—A. I do not think I would in that case.

Q. But in this case he complained that he could not get it?—A. Yes.

Q. If he could have got it in the town would you have sold to him?—A. No, I do not think so. If he could have it in the town he would not have come to me. What I am prepared to swear is that in the course of business I do sell to other people than those in the Retailers' Association. We do not confine ourselves absolutely to those in the association.

By Mr. Crocket:

Q. Were complaints made in those instances?—A. In some other instances to my knowledge.

By Mr. Sloan:

Q. Do you sell to contractors?—A. Not generally, although last year I billed to one contractor four cars of lumber to build stations on the Canadian Northern railroad.

By Mr. Herron:

Q. Not only was this complaint made, but letters were produced and placed in evidence tending to show that the association had corresponded with you or with your firm and had received assurances that you would not break the rules again?—A. I saw that but I never wrote any such letter. I never wrote any such letter to Mr. Stewart or never received any such letter from him. If there was a letter written from my firm I have no knowledge of it.

MR. HERRON.—You are the business manager of your firm. There were two letters to the effect that I have stated and the secretary wrote to the complainant saying that the thing would not occur in the future, that he had a guarantee from Mr. Burrows' firm that it would not occur again.

By the Chairman:

Q. Were there any letters from your firm?—A. No, there is no letter from my firm promising not to sell to outsiders.

MR. HERRON.—There was nothing produced from Mr. Burrows' firm, but there was a letter from the secretary of the association to this man who made the complaint.

MR. LANCASTER.—Saying he had made a promise.

THE WITNESS.—I do not find any such guarantee.

By Mr. Lancaster:

Q. I understood you to say to Mr. Crocket just now that if you had sold this man when he could have got it from his town you would have expected a complaint?—A. I do not think that, I said that there were other complaints, in other cases.

Q. You spoke about making sales to men not members of the association and I asked you if there had been complaints?—A. No, I know of several cases where there were not complaints.

Q. There was a complaint in this particular instance?—A. Yes, there was, I did not know it until I saw it here. I had no knowledge of this complaint till I saw Mr. Carruthers' letter which is filed here.

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By Mr. Herron:

Q. You conduct your own business. Is that the instructions that your managers have, to sell lumber to any person who has the money to buy?—A. No, those are not my instructions. We do not make a habit of trying to sell to consumers, no wholesale firm does in our country, although in my own county I never refuse to sell lumber to a man who came to buy lumber from me.

By Mr. Lancaster:

Q. You mean you make it a habit of selling to retail dealers only?—A. I make it a habit, yes.

By Mr. Crocket:

Q. Were you an active member of the association?—A. I do not think so, I never had anything to do with the association, I mean directly.

Q. Your name appears on the list of that association?—A. Yes, as a retail dealer at another point, not from my own mills.

Q. Is there anything else you want to say, Mr. Burrows?—A. I do not know there is anything particularly. What I want to make clear is that I am not bound, and have never been bound to sell only to those parties who are members of the Retail Lumber Dealers' Association. I have a retail yard at the town of Dauphin, and it was necessary for us to be members of the Retail Lumber Dealers' Association in buying from the other firm.

Q. That is you are a member of the association?—A. The Northern Lumber Company is, not myself, that is our retail business firm at the town of Dauphin.

The following was produced by witness, and filed as

EXHIBIT No. 162.

'HOUSE OF COMMONS.'

'OTTAWA, April 16, 1907.

'Hon. THOS. GREENWAY,

'Chairman Lumber Commission,

'City.

'DEAR SIR,—I would like to make the following statements regarding the sale of spruce lumber in the provinces of Manitoba and Saskatchewan, and I will be as brief as possible.

'I am and have been for many years a manufacturer of spruce lumber. I wish to state that there has never been at any time any association formed in our territory in connection with the spruce lumber business.

'There has never been a combination or any arrangement of any kind whatever between the manufacturers of spruce to regulate the prices at which the same would be sold. Each spruce manufacturer has been always selling his lumber wholesale at the highest prices he could obtain without regard to what prices any other lumberman could get for his product and in this regard there has never been any combination whatever.

'If you were to examine the prices at which I sell my lumber and the prices at which the other lumber mills sell theirs it will be found that they are not uniform and there has never been any effort made to combine in the way of prices.

'I have never confined my wholesale sales to members of the Retail Lumbermen's Association, but have sold also to parties that are not members of that association and while I, like all other wholesalers prefer to sell the retail trade yet I have often sold cars of lumber to consumers.

'With regard to prices at which lumber has been sold retail I may say that I am interested in one lumber yard in the town of Dauphin, and I enclose herein a memoranda showing the prices at which I have sold spruce lumber at that yard from the years 1901 to 1906, both inclusive.

'Yours truly,

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Memo showing retail prices at which spruce has been sold in the town of Dauphin, from 1901 to 1906 :—

Date.	Description.	Retail Price.
1901—	Boards and dimension..	\$17 50
	Shiplap..	20 00
	Siding, flooring and ceiling..	22 00
1902—	Boards and dimension..	17 50
	Shiplap..	20 00
	Siding, flooring and ceiling..	22 00
1903—	Boards and dimension..	17 50
	Shiplap..	20 00
	Siding, flooring and ceiling..	22 00
1904—	Boards and dimension..	18 50
	Shiplap..	22 00
	Siding, flooring and ceiling..	24 00
1905—	Boards and dimension..	18 50
	Shiplap..	22 00
	Siding, flooring and ceiling..	24 00
1906—	Boards and dimension..	18 50
	Shiplap..	22 00
	Siding, flooring and ceiling..	24 00
June, 1906—	Boards and dimension..	20 00
	Shiplap..	23 00
	Siding, flooring and ceiling..	25 00

The above are delivered prices in the town of Dauphin, within the town limits, at which lumber was sold during above years.

(Sgd.) THEO. A. BURROWS.

Witness discharged.

The following was produced by the chairman, and filed as

EXHIBIT No. 163.

‘SELKIRK, MAN., April 3, 1907.

‘DEAR MR. GREENWAY,—I have gone carefully into the inclosed statement with Mr. Jones who has been managing my lumber business for about twenty years. The statement inclosed has been taken from our books, and has been figured up frequently during the past number of years. You will notice, while I was speaking from memory at Ottawa, the result is the same as I gave you there.

‘I may say I have not been a member of any association either wholesale or retail, for about fifteen years.

‘Yours very truly,

‘WM. ROBINSON.

‘Hon. THOS. GREENWAY,

‘Chairman Lumber Commission,

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1906.

Limits....	\$ 1 00	
Winter logging...	6 00	
Summer sawing....	3 50	
Freighting to Selkirk..	1 50	
Loading and unloading boats, sorting and piling..	1 50	
Office salaries and expenses, yard foreman and salesman's salaries and taxes....	1 50	
Insurance and interest...	0 75	
Planing mill and handling lumber to and from mill..	2 00	
Stable account for use of horses and drivers..	0 50	
Extra labour....	0 25	
	<hr/>	
	\$ 18 50	
Average selling price....		\$22 50
Profit...	4 00	
	<hr/>	
Selling prices from \$22 to \$27....	\$ 22 50	
Labour in Selkirk yard, \$1.75 and \$2 per day.		
Labour at camp, \$35 to \$40 per month and board.		

‘It should be borne in mind that this business is both wholesale and retail.

‘WM. ROBINSON.

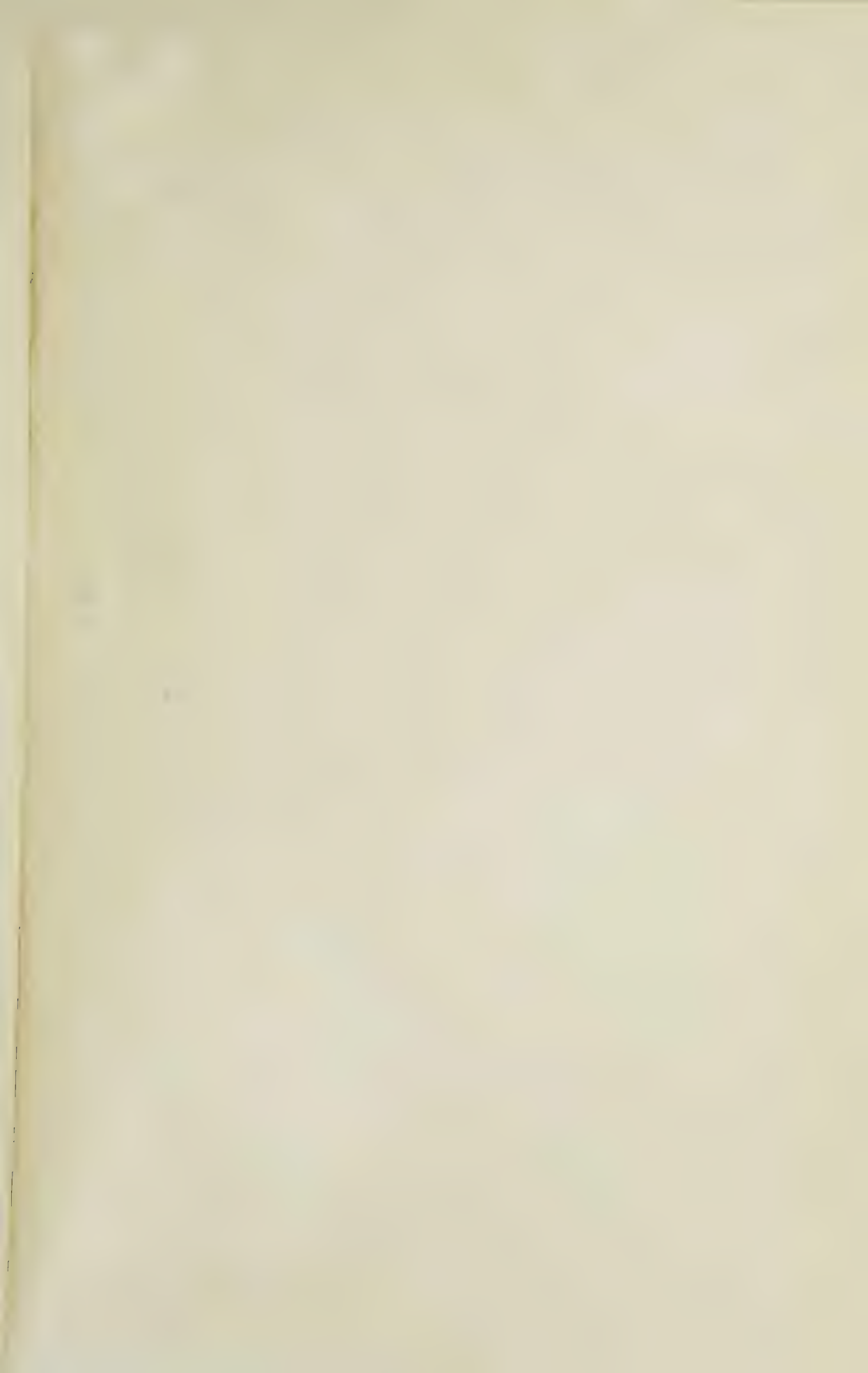
1900.

Limits....	\$ 1 00	
Winter logging...	3 00	
Summer sawing....	2 50	
Freighting...	1 00	
Loading and unloading boats, sorting and piling..	1 00	
Office and yard salaries and taxes....	1 00	
Insurance and interest....	0 50	
Planing mill and handling to and from mill..	1 50	
Stable account for use of horses and drivers...	0 40	
Extra labour.....	0 10	
	<hr/>	
	\$ 12 00	
Average selling price....		\$ 15 00
Profit..	3 00	
	<hr/>	
	\$ 15 00	\$15 00
Labour at camp, \$20 to \$25 per month and board.		
Selling price, \$14 to \$18.		

‘It should be borne in mind that this business is both wholesale and retail.

.WM ROBINSON.’

The committee adjourned.









GretagMacbeth™ ColorChecker Color Rendition Chart